

Press Release

Shree Jindal Soya Limited (SJS)

January 16, 2020

Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Facilities	3.00	IVR BB/Stable; ISSUER NOT COOPERATING* (IVR Double B with Stable outlook; Issuer Not Cooperating)	Rating revised from IVR BBB/Stable (IVR Triple B with Stable Outlook) and moved to ISSUER NOT COOPERATING Category
Short term facilities	52.20	IVR A4;ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating)	Rating revised from IVR A3+(IVR A Three Plus) and moved to ISSUER NOT COOPERATING Category
Total	55.20		

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Shree Jindal Soya Limited's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the Company to provide the required data to monitor its assigned ratings to the bank facilities, vide E-mail communications dated December 23, 2019, December 26, 2019, January 2, 2020 and January 7, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term rating for the bank loan

facilities of Shree Jindal Soya Limited aggregating to Rs.55.20crore shall be moved to the ‘ISSUER NOT COOPERATING’ category by Infomerics and the rating be noted as IVR BB/Stable; Issuer Not Co-operating; Based on best available information (IVR Double B /Stable: Issuer Not Co-operating; Based on best available information) and IVR A4: Issuer Not Co-operating; Based on best available information. (IVR A Four: Issuer Not Co-operating; Based on best available information) Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

Shree Jindal Soya Limited (SJS) was incorporated in 1999. The Company is promoted by Mr.Hemant Jindal and commenced business operations in 2012. The Company is engaged in the trading of edible and non-edible oils, mainly crude palm oil, crude soya been oil and Refined, Bleached, and Deodorized (RBD) Palmolive.

About Jindal Oil Group

Jindal Oil Group is a well-established group based in North India having corporate office at New Delhi. The group comprises of Shree Jindal Soya Limited, Unistar Oils Pvt Ltd, IS Proteins Pvt Ltd, Jindal Oil & Fats Ltd and KK Continental Trade and is engaged in trading of edible and non edible oil which is being imported from Indonesia, Malaysia, Argentina & Brazil etc and supplied to oil refineries, solvent processing units and also to domestic traders. The Jindal Oil group clocked a turnover of ~ Rs.734crore for the year ended March 31, 2018.

Financials (Standalone)

(Rs. Crore)

For the year ended* / As On	31-03-2017	31-03-2018
	Audited	Audited
Total Operating Income	152.16	202.40
EBITDA	-0.11	2.81
PAT	0.93	1.36
Total Debt	0.00	20.36
Tangible Networkth	20.37	21.73
EBITDA Margin (%)	-0.07	1.39
PAT Margin (%)	0.60	0.67
Overall Gearing Ratio (x)	0.00	0.94

**Based on Infomerics classification*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Long Term Facilities – Cash credit	Long Term	3.00	IVR BB/Stable; ISSUER NOT COOPERATING*	IVR BBB/Stable Outlook (April 03, 2019)	-	-
2.	Short Term Facilities – Letter of Credit	Short Term	50.00	IVR A4;ISSUER NOT COOPERATING*	IVR A3+ (April 03, 2019)	-	-
3.	Short Term Facilities – CEL	Short Term	2.20	IVR A4;ISSUER NOT COOPERATING*	IVR A3+ (April 03, 2019)		

^O/S as on March 31, 2019. Issuer did not cooperate; based on best available information*

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash credit	-	-	-	3.00	IVR BB/Stable; ISSUER NOT COOPERATING*
Short Term Bank Facilities – Letter of Credit	-	-	-	50.00	IVR A4;ISSUER NOT COOPERATING*
Short Term Bank Facilities – CEL	-	-	-	2.20	IVR A4;ISSUER NOT COOPERATING*

[^]O/S as on March 31, 2019. * Issuer did not cooperate; based on best available information