



## Press Release

### Jain Agro Industries

**November 17, 2022**

#### **Ratings:**

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Fund Based Facilities	36.85	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>36.85</b>	<b>(Thirty-Six Crore and Eighty-Five Lakh Only)</b>		

*\* Issuer not cooperating; Based on best available information*

#### **Details of Facilities are in Annexure 1**

#### **Detailed Rationale:**

The rating is revised because of lack of adequate information regarding Jain Agro Industries 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 firm to provide the required data to monitor its assigned ratings to the bank facilities, vide mails communications dated September 15, 2022; October 27, 2022; November 01, 2022; November 02, 2022 and November 03, 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the firm's management has not submitted all the essential details/information for surveillance exercise.



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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 bank loan ratings aggregating to Rs. 36.85 Crore of Jain Agro Industries shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-; ISSUER NOT CO-OPERATING based on best available information.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

### About the Firm:

Jain Agro Industries was established as a partnership concern by Mr. Prithviraj Jain, Mr. Sanjeev Kumar Jain and Mr. Rattan Lal Jain, having profit sharing ratio of 33.33% each. The firm had been into the business since 1996. The unit is situated at Sultanpur Road in Kapurthala District on an area admeasuring around 10 acres including own storage warehouse. The firm has installed capacity of 30MT for processing of paddy (10 MT parmal rice, 20 MT lines basmati). The firm has three lines of 10 MT per hour with separate sortex unit for each line.

**Financials: Standalone**

For the year ended* / as on	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	115.46	117.20
EBITDA	4.13	5.06
PAT	0.67	0.85
Total Debt	33.26	40.95
Tangible Net Worth	5.33	5.81
<b>Ratios</b>		
EBITDA Margin (%)	3.58	4.32
PAT Margin (%)	0.57	0.72



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Overall Gearing Ratio (x)	6.24	7.05
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\*Classification as per Infomerics` standards

**Status of non-cooperation with previous CRA:** Brickwork Ratings vide its press release dated 05th Oct 2021 has continued to classify the ratings of the company under Issuer Not Cooperating category on account of non-submission of relevant information.

**Any other information: Not Applicable**

### Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (September 07, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit	Long Term	23.50	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; ISSUER NOT COOPERATING*)	IVR BB/ Stable (IVR Double B with Stable Outlook)	-	-
2.	OCC	Long Term	10.00	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; ISSUER NOT COOPERATING*)	IVR BB/ Stable (IVR Double B with Stable Outlook)	-	-
3.	Term Loan	Long Term	3.35	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; ISSUER NOT COOPERATING*)	IVR BB/ Stable (IVR Double B with Stable Outlook)	-	-
	<b>Total</b>		<b>36.85</b>				

\* Issuer did not cooperate (INC); based on best available information.



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### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**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



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### Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facility – Cash Credit	--	--	--	23.50	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; ISSUER NOT COOPERATING*)
Long Term Fund Based Facility – OCC	--	--	--	10.00	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; ISSUER NOT COOPERATING*)
Long Term Fund Based Facility – Term Loan	--	--	April 2025	3.35	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; ISSUER NOT COOPERATING*)

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

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 3: Facility wise lender details:** Not Applicable

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**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](http://www.infomerics.com).