

September 26, 2022

Iscon Balaji Foods Pvt. Ltd.: Continues to remain under issuer Non-Cooperating category. Ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	89.95	89.95	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain in the 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	52.98	52.98	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain in the 'Issuer Not Cooperating' category
Long Term / Short Term- Interchangeable- Others	(64.98)	(64.98)	[ICRA]B+ (Stable)/[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable)/[ICRA]A4+ and continues to remain in the 'Issuer Not Cooperating' category
Short Term-Non-Fund Based- Others	10.03	10.03	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and continues to remain in the 'Issuer Not Cooperating' category
Total	152.96	152.96	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Iscon Balaji Foods Pvt. Ltd. performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. 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

As part of its process and in accordance with its rating agreement with Iscon Balaji Foods Pvt. Ltd., ICRA has been trying to seek information from the entity so as to monitor its performance and ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Iscon Balaji Foods Private Limited (IBF or “the company”) is jointly owned by promoters of JP Iscon Ltd. (Mr. Jayesh Kotak), Balaji Wafers Pvt. Ltd. (Mr. Pranay Virani) and Kotak Finstock Pvt. Ltd. (Mr. Bharat Kotak and Mr. Neel Kotak). Incorporated in January 2012, IBF was incorporated in January, 2012, it started production of dehydrated potato flakes in July 2013 and subsequently diversified into frozen ready to fry snacks in October 2017. IBF is managed by Mr. Neel Kotak, an IIT Bombay alumni. The potato flakes unit is spread over 20,000 square yards near Anand with current installed capacity of 7000/MTPA and Frozen foods plant is located in Kheda district of Gujarat with manufacturing capacity of of 11,448/MTPA February 2015.

Key financial indicators (audited)

IBF Consolidated	FY2019	FY2020
Operating Income (Rs. crore)	155.2	240.93
PAT (Rs. crore)	12.9	17.48
OPBDIT/OI (%)	16.4%	16.7%
PAT/OI (%)	8.3%	7.3%
Total Outside Liabilities/Tangible Net Worth (times)	2.58	2.42
Total Debt/OPBDIT (times)	4.69	3.55
Interest Coverage (times)	4.89	3.48

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years		
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
				26-September-2022	14-July-2021	-	-
1 Fund Based-Cash Credit	Long Term	89.95	-	[ICRA]B+ (Stable); (ISSUER NOT COOPERATING)	[ICRA]BB+ (Stable); (ISSUER NOT COOPERATING)	-	-
2 -Fund Based-Term Loan	Long Term	52.98	-	[ICRA]B+ (Stable); (ISSUER NOT COOPERATING)	[ICRA]BB+ (Stable); (ISSUER NOT COOPERATING)	-	-
3 Interchangeable-Others	Long Term	(64.98)	-	[ICRA]B+ (Stable)/[ICRA]A4;	[ICRA]BB+ (Stable)/[ICRA]A4+;	-	-
							[ICRA]BBB(Stable)
							[ICRA]BBB(Stable)
							[ICRA]BBB(Stable) / [ICRA]A3+

		/Short Term-			(ISSUER NOT COOPERATING)	(ISSUER NOT COOPERATING)		
4	Non-Fund Based-Others	Short Term	10.03	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	-	[ICRA]A3+

Complexity level of the rated instrument-

Instrument	Complexity Indicator
Fund Based-Cash Credit	Simple
-Fund Based-Term Loan	Simple
Interchangeable-Others	Very Simple
Non-Fund Based-Others	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based-Cash Credit	-	-	-	89.95	[ICRA]B+ (Stable); (ISSUER NOT COOPERATING)
NA	-Fund Based-Term Loan	-	-	-	52.98	[ICRA]B+ (Stable); (ISSUER NOT COOPERATING)
NA	Interchangeable- Others	-	-	-	(64.98)	[ICRA]B+ (Stable)/[ICRA]A4; (ISSUER NOT COOPERATING)
NA	Non-Fund Based- Others	-	-	-	10.03	[ICRA]A4; ISSUER NOT COOPERATING

Source: Iscon Balaji Foods Pvt. Ltd.

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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