

December 21, 2022

Jain Farm Fresh Foods Limited: Ratings downgraded and moved to Issuer Non-Cooperating Category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Working Capital facilities	345.00	345.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B (Stable) and moved to the 'Issuer Not Cooperating' category
Short Term – Non-Fund Based – Other	93.20	93.20	[ICRA]D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4 and moved to the 'Issuer Not Cooperating' category
Long Term – Fund Based – Term Loan	191.98	191.98	[ICRA]D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B (Stable) and moved to the 'Issuer Not Cooperating' category
Long Term / Short Term – Unallocated	149.82	149.82	[ICRA]D/[ICRA] D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B (Stable)/[ICRA]A4 and moved to the 'Issuer Not Cooperating' category
Total	780.00	780.00	

*Instrument details are provided in Annexure-I

Rationale

The rating downgrade reflects delays in debt servicing by Jain Farm Fresh Foods Limited (JFFFL) due to delay in realization of its receivables leading to pressure on liquidity position. Further, the ratings have been moved to Issuer not cooperating category because of lack of adequate information regarding JFFFL's 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 JFFFL, ICRA has been trying to seek information from the entity so as to monitor its performance, 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, Key financial indicators, Liquidity position, Rating sensitivities: [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	Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity Policy on default recognition
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidated

For arriving at the ratings, ICRA has considered the consolidated financials of JFFFL. The entities considered for consolidation are enlisted in Annexure-2

About the company

Incorporated in 2015, Jain Farm Fresh Foods Limited (JFFFL) is a subsidiary of Jain Irrigation Systems Limited (JISL). The company was formed as a result of the sale of the food processing business (previously being undertaken under JISL itself since 1995) with effect from March 31, 2016 on slump sale basis as a going concern. It is a food processing company involved in the production of dehydrated onion and vegetable products. It also produces aseptic fruit purees, concentrates, clarified juices, and frozen products. These products are marketed under the brand name 'Jain FarmFresh'. In 2017, the company launched its retail business with its first branded product called "Aamrus" (sweetened frozen mango pulp) under the umbrella brand name of "FarmFresh". Later, the company added a new brand "FRU2go" (fruit pulp in various variants). In 2018, the company ventured into spice manufacturing and launched its spice retail operations across India.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

SN	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 FY2023	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020		
					Dec-21-2022	06-Oct-2021*	3-Nov-2020	17-Jul-2020	27-Feb-2020	05-Nov-2019	28-Jun-2019
1	Fund based – Term Loan	Long Term	191.98	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B (Stable)	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C	[ICRA]C	[ICRA]BB+ (Negative)	[ICRA]BBB (Negative)
2	Fund based – CC/ WCDL	Long Term	345.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B (Stable)	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C	[ICRA]C	[ICRA]BB+ (Negative)	[ICRA]BBB (Negative)
3	Non-fund based – BG/LC	Short Term	93.20	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]A4	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	[ICRA]A4	[ICRA]A4+	[ICRA]A3+
4	Unallocated limits	Long Term	-	-	-	-	[ICRA]C; ISSUER NOT COOPERATING	[ICRA]C	[ICRA]C	[ICRA]BB+ (Negative)	[ICRA]BBB (Negative)
5	Unallocated limits	Short Term	-	-	-	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	[ICRA]A4	[ICRA]A4+	[ICRA]A3+
6	Unallocated limits	Long term / short term	149.82	-	[ICRA]D/[ICRA] D; ISSUER NOT COOPERATING	[ICRA]B (Stable)/ [ICRA]A4	-	-			

* Ratings removed from INC category; INC: Issuer not co-operating

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund based – Term Loan	Simple
Fund based – CC/ WCDL	Simple
Non-fund based – BG/LC	Very Simple
Unallocated	Not Applicable

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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based – Term Loan	FY2022		FY2027	191.98	[ICRA]D; ISSUER NOT COOPERATING
NA	Fund based – CC/ WCDL				345.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Non-fund based – BG/LC				93.20	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated				149.82	[ICRA]D/[ICRA] D; ISSUER NOT COOPERATING

Source: Company

Annexure II: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
Jain International Foods Limited	100.00%	Full consolidation
Sleaford Food Group Limited	100.00%	Full consolidation
Sleaford Quality Foods Limited	100.00%	Full consolidation
Arnolds Quick Dried Foods Limited	100.00%	Full consolidation
Jain America Foods Inc	100.00%	Full consolidation
Jain Irrigation Holding Inc	100.00%	Full consolidation
Jain Farm Fresh Food Inc.	100.00%	Full consolidation
Jain Farm Fresh Holdings SPRL	100.00%	Full consolidation
Innovatrading BVBA	100.00%	Full consolidation
Innovafood N.V.	100.00%	Full consolidation
JIO	100.00%	Full consolidation

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About ICRA Limited:

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