

December 07, 2023

Organic India Private Limited: Continues to remain in Issuer Non-Cooperating category, Rating 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/ Short Term-Fund Based-Cash Credit	88.00	88.00	[ICRA]BB+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB+(Stable)/[ICRA]A2 and continues to remain under 'Issuer Not Cooperating' category
Long Term- Fund Based-Term Loan	12.00	12.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB+(Stable) and continues to remain under 'Issuer Not Cooperating' category
Total	100.00	100.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is attributable to the lack of adequate information regarding **Organic India Private Limited** 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 **Organic India Private Limited**, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple 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, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the 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	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity Rating Methodology –Fast Moving Consumer Goods(FMCG)
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the rated entity.

About the company

OIPL, established in 1997, is an organic health and wellness product manufacturing company with a manufacturing facility in Lucknow. Its product profile includes organically certified tulsi herbal infusions, herbal supplements, Ayurvedic medicines and other organic food products and spices. OIPL's network of farmers are in Uttar Pradesh, Rajasthan, Gujarat, and Madhya Pradesh. The company was founded by Mr. Yoav Lev and Mrs. Holly B Lev in 1997. Fabindia holds a 63.79% equity stake in OIPL and share a common management. In FY2023, Prem Ji Invest purchased 15% stake in OIPL as part of a secondary sale from promoter group.

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2024)		Chronology of Rating History				for the past 3 years
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)*	Date & Rating in		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				Dec 07, 2023	Jun 08, 2023	Jul 21, 2022	Oct 07, 2021	Jul 10, 2020
1 Cash Credit**	Long-term/ Short-Term	88.00	-	[ICRA]BB+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BBB+(Stable)/ [ICRA]A2; ISSUER NOT COOPERATING	[ICRA]A+(Stable)/ [ICRA]A1	[ICRA]A+(Stable)/ [ICRA]A1+	[ICRA]A+(Stable)/ [ICRA]A1+
2 Term Loan	Long-term	12.00	12.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BBB+(Stable); ISSUER NOT COOPERATING	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)
3 Unallocated	Long-term/ Short-Term	-	-	-	-	[ICRA]A+(Stable)/ [ICRA]A1	-	-

Source: Company, *as of March 2023, **WCDL is the sublimit

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-Term/ Short-Term– Cash Credit	Simple
Long Term-Term Loan	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: [Click Here](https://www.icra.in)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	88.00	[ICRA]BB+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING
NA	Term Loan	Oct 2022	NA	Sep 2027	12.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING

Source: Organic India Private Limited

Annexure-II: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
Organic India Private Limited	NA*	Full consolidation
Organic India USA LLC	100%	Full consolidation

Source: Company, *parent company

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About ICRA Limited:

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