April 30, 2020

Navdanya Foods Private Limited: Rating moved to issuer not cooperating category

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. Crore)	Current Rated Amount (Rs. Crore)	Rating Action
Fund-based – Cash credit	4.00	4.00	[ICRA]B (Stable) ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Non-fund based - Letter of guarantee	2.50	2.50	[ICRA]A4 ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Total	**6.50**	**6.50**	

*Issuer did not co-operate; based on best available information.

Rationale

ICRA has moved the ratings for the Rs. 6.50 crore bank facilities of Navdanya Foods Private Limited (NFPL) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B (Stable)/[ICRA]A4; ISSUER NOT COOPERATING"

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. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Analytical approach

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

About the company:

Incorporated in 2000, Navdanya Foods Private Limited (NFPL) is primarily involved in the custom milling (job work) of non-basmati rice for various government agencies. The manufacturing facility of the company is located near a high paddy-growing region in Bargarh district of Odisha and has an input milling capacity of 10 tonne per hour (tph). In addition to its custom milling, the company is involved in open market sale of rice, broken rice, bran, husk etc.

The previous detailed rating rationale is available on the following link: Click here

Key financial indicators (Audited):

	FY2018	FY2019
Operating Income (Rs. crore)	3.52	5.55
PAT (Rs. crore)	0.05	0.06
OPBDIT/ OI (%)	33.50%	21.01%
RoCE (%)	7.87%	10.35%
Total Outside Liabilities/Tangible Net Worth (times)	2.60	2.60
Total Debt/OPBDIT (times)	3.50	3.89
Interest Coverage (times)	2.45	2.16
DSCR	2.37	2.09

Status of Non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018	
					30-Apr 2020	-	04-Oct-2018	22-Mar-2018	15-Nov-2017
1	Cash credit	Long term	4.00	-	[ICRA]B (Stable); ISSUER NOT COOPERATING	-	[ICRA]B (Stable)	[ICRA]B (Stable); ISSUER NOT COOPERATING	[ICRA]B (Stable); ISSUER NOT COOPERATING**
2	Letter of Guarantee	Short term	2.50	-	[ICRA]A4; ISSUER NOT COOPERATING	-	[ICRA]A4	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING**

**moved to issuer not cooperating category due to non-submission monthly ‘No Default Statement’ (NDS)

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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.

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