

February 14, 2020

R.L.AGRO FOODS PVT.LTD.(erstwhile R.L.Foods): Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

Summary of rated instruments

Instrument[^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-Based Limits	65.00	65.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain under 'Issuer Not Cooperating' category
Total	65.00	65.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The ratings downgrade is because of lack of adequate information regarding R.L. AGRO FOODS PVT.LTD. (erstwhile R.L.Foods) 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 the rated entity". 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 R.L. AGRO FOODS PVT.LTD. (erstwhile R.L.Foods), 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 SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

About the company

RLF is involved in the business of milling basmati rice. The company has a processing unit with a capacity of 16 tonne per hour at Nissing (Karnal, Haryana). The company caters to both domestic and export markets. Out of the total sales in FY2017, ~20% was contributed by export sales and the rest by domestic market sales

The previous detailed rating rationale is available on the following link: [Click here](#)

Key financial Indicators (Audited)

	FY2018	FY2019
Operating Income (Rs. crore)	288.13	354.64
PAT (Rs. crore)	0.43	0.59
OPBDIT/OI (%)	3.02%	3.01%
RoCE (%)	8.91%	7.16%
Total Outside Liabilities/Tangible Net Worth (times)	16.33	11.22
Total Debt/OPBDIT (times)	20.86	10.74
Interest Coverage (times)	1.09	1.00
DSCR	1.10	1.10

Sources MCA

Status of non-cooperation with previous CRA

CRA	Status	Date of release
CRISIL	CRISIL B+(Stable)/A4; Issuer Not Cooperating	December 24, 2019

Any other information

Not applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY 2017	
					14-Feb- 2020	29-Nov-2018	29-Aug-2017	20-Jun-2016	
1	Cash Credit	Long Term	65.00	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)	Suspended	

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	65.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING

Source: R.L. AGRO FOODS PVT.LTD. (erstwhile R.L.Foods)

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