

February 03, 2016

Facilities	Amount (Rs. Crore)	Rating
Term Loan	4.50	SMERA B/Stable (Assigned)
Cash Credit	6.00	SMERA B/Stable (Assigned)

SMERA has assigned a long term rating of '**SMERA B**' (**read as SMERA B**) to the above mentioned bank facilities of Jagannath Ice and Cold Storage (JICS). The outlook is '**Stable**'. The rating reflects the company's exposure to intense competition in the cold storage business and susceptibility to price regulation by the government. The rating also reflects the company's lack of operational track record. However, it derives comfort from the experienced management and proximity to source of raw material.

Rating Sensitivity Factors

- Increase in scale of operation
- Timely debt serviceability

Outlook – Stable

SMERA believes that the company will benefit from the extensive experience of its management in the food and agro business. The outlook may be revised to 'Positive' if JICS achieves the envisaged sales and profitability. Conversely, the outlook may be revised to 'Negative' in case it fails to report the expected revenues or profitability or if the company fails to service its debt obligations.

About the Company

JICS was established in 2015 as a proprietorship concern by Mr. Vishal Jalan. The company has set up a cold storage facility for potatoes in Jhadsuguda, Orissa. The installed capacity of the facility is 5000 MT and commercial production is expected to commence from February 2016.

Contact List

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