

**Press Release**  
**Jayalaxmi Enterprises**

**April 20, 2023**



**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	24.50	ACUITE BB   Downgraded   Issuer not co-operating*	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	24.50	-	-

**Rating Rationale**

Acuité has downgraded the long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs.24.50 Cr bank facilities of Jayalaxmi Enterprises (JE). The rating is now flagged as "**Issuer Not-Cooperating**" and is downgraded on account of information risk.

**About the Firm**

Jayalaxmi Enterprises (JE) was established in the year of 1997 by Mr. A. Hegde, Mrs. Veena Hegde and Mr. Srinivas Hegde. The firm is engaged in processing & trading of raw cashew nuts and cashew kernels with current installed capacity of 7000 MT and does trading of 2500-3000 MT annually. The manufacturing facility is located in Udupi, district of Karnataka.

**Non-cooperation by the issuer/borrower**

Acuité has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 06 consecutive months. Acuité has also been requesting for data, information, and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuité's policies.

**Limitation regarding information availability**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon.

**Material Covenants**

None

### Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

### Outlook: Not Applicable

### Other Factors affecting Rating

None

### Key Financials

Particulars	Unit	FY 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	158.00	97.58
PAT	Rs. Cr.	2.08	1.50
PAT Margin	(%)	1.31	1.53
Total Debt/Tangible Net Worth	Times	0.82	0.22
PBDIT/Interest	Times	4.15	5.03

### Status of non-cooperation with previous CRA

Not applicable

### Any other information

Not Applicable

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Jan 2022	Cash Credit	Long Term	24.50	ACUITE BB+   Stable (Upgraded from ACUITE BB   Stable)
30 Oct 2020	Cash Credit	Long Term	24.50	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	24.50	ACUITE BB   Downgraded   Issuer not co-operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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