

Press Release

JSK Marketing Limited

May 29, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 360.00 Cr. #
Long Term Rating	ACUITE BB (Downgraded from ACUITE A-/Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A2+) Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long-term rating to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE A-**' (**read as ACUITE A minus**) and short term rating to '**ACUITE A4+**' (**read as ACUITE A four plus**) from '**ACUITE A2+**' (**read as ACUITE A two plus**) on the Rs. 308.00 crore bank facilities of JSK Marketing Limited (JSKL). This rating is now an indicative rating and is based on best available information.

The rating revision is on account of liquidity pressures faced by the company which has impeded its ability to meet its debt obligations. The company has not been able to meet its LC commitments in time, thereby resulting in devolvement. Acuité has relied on its interactions with the company's lenders while revising the rating.

JSKL, a Mumbai-based company (erstwhile JSK Marketing Private Limited), was incorporated in 1985. The company is promoted by Mr. Kunal Jiwarajka along with his family members. The company has three broad revenue segments including sole distributorship in the western region for Nippo products, e-commerce partner and registered seller with Amazon India and distributor of varied electronic products.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity to get an update on the liquidity profile of the company. However, the borrower failed to provide such information in a timely manner, despite repeated reminders.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition -<https://www.acuite.in/criteria-default.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>

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 endeavoured 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.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	860.73	608.45	347.60
EBITDA	Rs. Cr.	71.61	52.24	22.98
PAT	Rs. Cr.	30.55	22.22	9.55
EBITDA Margin	(%)	8.32	8.59	6.61
PAT Margin	(%)	3.55	3.65	2.75
ROCE	(%)	24.45	30.84	23.25
Total Debt/Tangible Net Worth	Times	1.73	1.46	0.75
PBDIT/Interest	Times	2.75	2.78	2.96
Total Debt/PBDIT	Times	2.95	2.66	1.78
Gross Current Assets (Days)	Days	180	192	143

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
21-Feb-2019	Cash Credit	Long Term	259.00	ACUITE A-/Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	49.00	ACUITE A-/Stable (Reaffirmed)
	Letter of Credit	Short Term	52.00	ACUITE A2+ (Reaffirmed)
24- Jan-2018	Cash Credit	Long Term	148.00	ACUITE A-/Stable (Reaffirmed)
	Cash Credit	Long Term	45.00	ACUITE A-/Stable (Assigned)
	Proposed Cash Credit	Long Term	40.00	ACUITE A-/Stable (Reaffirmed)
	Letter of Credit	Short Term	52.00	ACUITE A2+ (Reaffirmed)
15- Dec-2017	Cash Credit	Long Term	78.00	ACUITE A-/Stable (Upgrade)
	Cash Credit	Long Term	55.00	ACUITE A-/Stable (Assigned)
	Proposed Cash Credit	Long Term	100.00	ACUITE A-/Stable (Upgrade)
	Letter of Credit	Short Term	27.00	ACUITE A2+ (Upgrade)
	Letter of Credit	Short Term	25.00	ACUITE A2+ (Assigned)
Sept 8, 2016	Cash Credit	Long Term	48.00	ACUITE BBB/Stable (Assigned)
	Proposed Cash Credit	Long Term	78.00	ACUITE BBB/Stable (Assigned)
	Letter of Credit	Short Term	12.00	ACUITE A3+ (Assigned)
	Proposed Letter of	Short Term	47.00	ACUITE A3+

	Credit			(Assigned)
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#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	259.00	ACUITE BB (Downgraded) Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	49.00	ACUITE BB (Downgraded) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	52.00	ACUITE A4+ (Downgraded) Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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