

Press Release

JML Marketings Private Limited

April 26, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.35	-	ACUITE D Downgraded Issuer not co-operating*
Bank Loan Ratings	88.65	ACUITE D Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	92.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to **ACUITE D** (read as ACUITE D) from ACUITE BB- (read as ACUITE double B minus) and short-term rating to ACUITE D (read as ACUITE D) from ACUITE A4+ (read as ACUITE A Four plus) on the Rs.92.00 crore bank facilities of JML Marketings Private Limited (JMLMPL). This rating continues to be an indicative rating and is based on best available information.

The rating downgrade is on account of admission of the lender's application for initiating corporate insolvency resolution process against JMLPL under Section 7 of Insolvency & Bankruptcy Code

About the Company

Allahabad based JML Marketings Private Limited (the erstwhile Jagannath Madan Lal) was established as a proprietorship firm in 1950 and converted to private limited in 2002 and promoted by Mr. Kimti Lal Arora (Director) and Mr. Anil Arora (Managing Director). The company is engaged in the manufacturing, packaging and trading of edible oil - mustard, refined, vanaspati and edible vegetable oil at Allahabad. It sells its products under the Fit N lite, Sarson Lite and Lite Drop brand names. The installed capacity stands at 7560000 kgs. The company generates around 70 per cent revenue from manufacturing and 30 per cent from trading. Besides, JML also has sole distributorship of the Fortune Brand of edible oils (Adani Wilmar Limited) for Allahabad, Varanasi, Ghaziabad, Jabalpur and Amritsar.

Non-cooperation by the issuer/borrower:

Acuite has 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.

Acuite 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 continues to be 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"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

Status of non-cooperation with previous CRA

CARE, vide its press release dated February 11, 2021 had denoted the rating of J.M.L Marketing Private Limited as 'CARE D; ISSUER NOT CO-OPERATING' on account of lack of adequate information required for monitoring the ratings.

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Nov 2021	Bank Guarantee	Short Term	3.35	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	80.65	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	8.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
30 Jul 2020	Cash Credit	Long Term	80.65	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	3.35	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	8.00	ACUITE BB (Downgraded and Issuer not co-operating*)

10 May 2019	Term Loan	Long Term	8.00	ACUITE BB+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.35	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	80.65	ACUITE BB+ (Issuer not co-operating*)
22 Feb 2018	Cash Credit	Long Term	80.65	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	8.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee	Short Term	3.35	ACUITE A3+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	3.35	ACUITE D Downgraded Issuer not co-operating* (from ACUITE A4+)
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	80.65	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BB-)
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	8.00	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BB-)

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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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