

November 18, 2022

## Varadharaja Foods Private Limited: Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/CC	7.00	7.00	[ICRA]D ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B+(Stable) and continues to remain under 'Issuer Not Cooperating' category.
Long Term - Fund Based TL	0.27	0.27	[ICRA]D ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B+(Stable) and continues to remain under 'Issuer Not Cooperating' category.
Short Term - Interchangeable	(3.50)	(3.50)	[ICRA]D ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4 and continues to remain under 'Issuer Not Cooperating' category.
Long Term / Short Term -Unallocated	7.73	7.73	[ICRA]D/[ICRA]D ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B+(Stable)/ [ICRA]A4 and continues to remain under 'Issuer Not Cooperating' category.
<b>Total</b>	<b>15.00</b>	<b>15.00</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

## Rationale

### Material event

There is public announcement by Insolvency and Bankruptcy Board of India (IBBI) that The Shree Keshav Agro Private Limited has made an application in IBBI against Varadharaja Foods Private Limited. The IBBI has mentioned May 10, 2023 as the estimated date closure of insolvency resolution process.

### Impact of material event

The amount and nature of claim made by The Shree Keshav Agro Private Limited is uncertain.

The rating is based on limited information on the entity's performance since the time it was last rated in October 2021. 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.

ICRA has been trying to seek information from the entity so as to monitor its Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at [www.icra.in](http://www.icra.in).

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicator [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy on Default Recognition</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

## About the company

Promoted by Mr. N.E. Kumar in May 2009, Varadharaja Foods Private Limited is a fruit processing company, engaged in sales of pulp and concentrate of fruits such as guava, papaya and tomato. VFPL has a processing unit in Ponnappagaunipalli Village, Krishnagiri district (Tamil Nadu). Since April 2014, the company was also engaged in sale of fruit juices under 'Laama' brand, wherein the company does not have any in-house manufacturing capacities but largely relies on third party companies for processing and packaging the juice drinks.

## Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

## Rating history for past three years

Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years			
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	
				November 18, 2022	October 27, 2021	August 14, 2020	-	
1 Fund Based/CC	Long Term	7.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]B+(Stable) ISSUER NOT COOPERATING	-	
2 Fund Based TL	Long Term	0.27	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]B+(Stable) ISSUER NOT COOPERATING	-	

<b>3</b>	Interchangeable	Short Term	(3.50)	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	-
<b>4</b>	Unallocated	Long Term/ Short Term	7.73	-	[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	-

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund Based/CC	Simple
Fund Based TL	Simple
Interchangeable	Very Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**Annexure-1: Instrument details**

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based/CC	-	-	-	7.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Fund Based TL	-	-	-	0.27	[ICRA]D; ISSUER NOT COOPERATING
NA	Interchangeable	-	-	-	(3.50)	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	7.73	[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING

*Source : Varadharaja Foods Private Limited*

**Annexure-2: List of entities considered for consolidated analysis: Not Applicable.**

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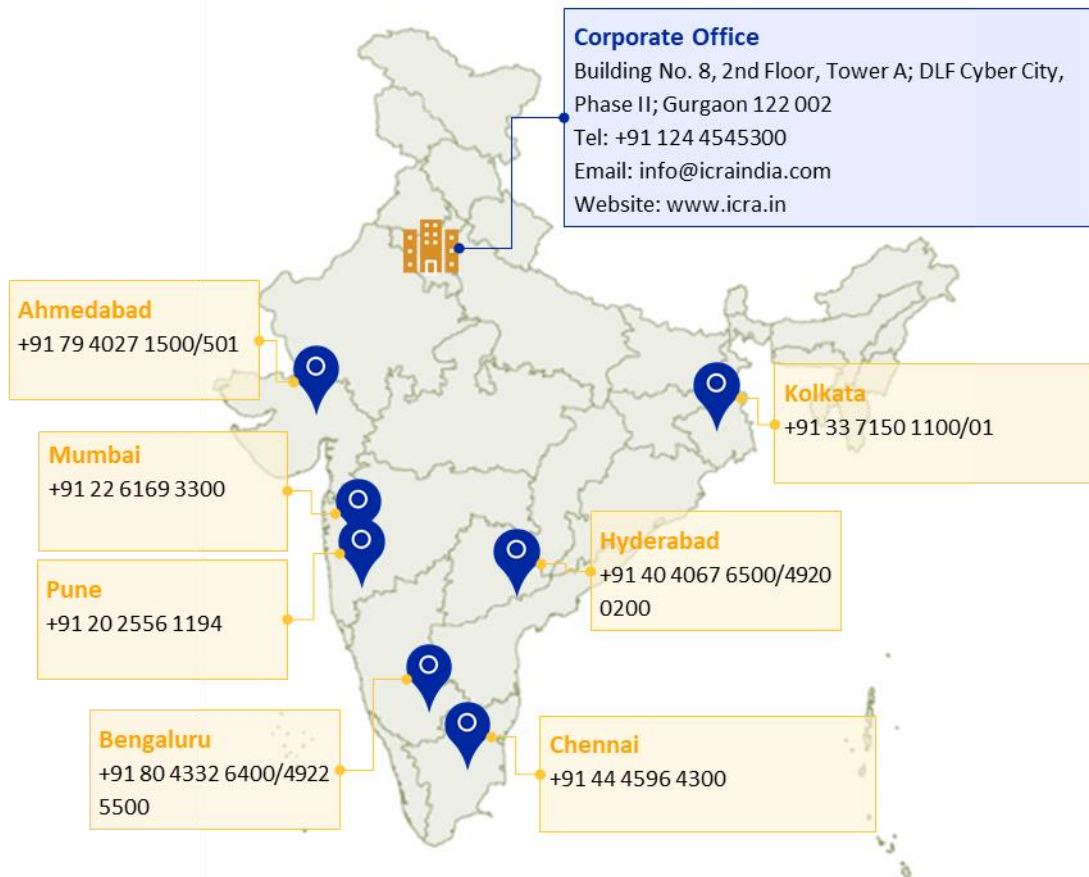
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