



## Press Release Jay Formulations Limited

December 19, 2023

Ratings:

				(INR Crore)
Instrument / Facility	Amount	Current Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Fund Based Limits – Cash Credit	25.00	IVR D; ISSUER NOT COOPERATING*	Reaffirmed and continued at ISSUER NOT COOPERATING category	Simple
Long Term Fund Based Limits – Term Loan	8.80	IVR D; ISSUER NOT COOPERATING*	Reaffirmed and continued at ISSUER NOT COOPERATING category	Simple
Short Term Non-Fund Facility	16.25	IVR D; ISSUER NOT COOPERATING*	Reaffirmed and continued at ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>50.05</b>			

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

### Details of Facilities are in Annexure 1

#### Detailed Rationale:

The rating downgrade is because of lack of adequate information regarding Jay Formulations Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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.

#### Non-cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated November 13, 2023, November 14, 2023 and November 20, 2023. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.



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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, for the bank loan facilities aggregating to INR 50.05 Crore of Jay Formulations Limited shall remain under 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR D; Issuer Not Co-operating; based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

**About the Company:**

Incorporated in 1995, Jay Formulations Limited (JPL) is in the pharmaceuticals business for more than three decades with expertise in manufacture and marketing of a wide array of allopathic branded and generic formulations. The company's product portfolio consists of generic drug formulations such as Ibuprofen, Ampicillin, Azythromycin, Diclofenac and Amoxyllin and so on. JPL's manufacturing plant located in Gujrat is ISO and WHO-GMP compliant. JPL has two manufacturing facilities with a total manufacturing capacity of 120 Crore tablets and capsules p.a.

**Financials: Standalone**

For the year ended	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	105.50	125.10
EBITDA	6.46	7.94
PAT	1.01	1.71
Total Debt	30.79	39.41
Tangible Net Worth	16.80	20.50
<b>Ratios</b>		
EBITDA Margin (%)	6.12	6.34
PAT Margin (%)	0.95	1.36
Overall Gearing Ratio (x)	1.25	1.39



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### Status of non-cooperation with previous CRA:

**ICRA Ratings** has continued to classify the rating as CARE D/ INC vide press release dated February 22, 2023, due to lack of information.

**Brickwork ratings** has continued to classify the rating as BWR D/ INC vide press release dated June 22, 2023, due to lack of information.

**Any other information:** Not Available

### Rating History for last three years:

(INR Crore)

Sr. No	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount	Rating	Date(s) & Rating(s) assigned in 2022-23 (1/11/2022)	Date(s) & Rating(s) assigned in 2021-22 (18/8/2021)	Date(s) & Rating(s) assigned in 2020-21 (8/9/2020)
1.	Cash Credit	Long Term	25.00	IVR D/ INC*	IVR D/ INC*	IVR D/ INC*	IVR BB+/Positive
2.	Term Loan	Long Term	8.80	IVR D/ INC*	IVR D/ INC*	IVR D/ INC*	IVR BB+/Positive
3.	Non-Fund based	Short Term	16.25	IVR D/ INC*	IVR D/ INC*	IVR D/ INC*	IVR A4+

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

### Name and Contact Details of the Rating Team:

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt



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instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities:

					(INR Crore)
Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	--	--	--	25.00	IVR D; Issuer Not Cooperating*
Long Term Bank Facilities – Term Loan	--	--	--	8.80	IVR D; Issuer Not Cooperating*
Short Term Non-Fund Facility-	--	--	--	16.25	IVR D; Issuer Not Cooperating*

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

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 3: Facility wise lender details:** Not Available



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**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com)

