

June 29, 2021

## Rural Fairprice Wholesale Limited: Moved to Non-Cooperating category

### Summary of rating action

| Instrument <sup>^</sup>             | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action   |
|-------------------------------------|-----------------------------------|----------------------------------|---|
| Non-convertible Debenture Programme | 320.0                             | 320.0                            | [ICRA]D ISSUER NOT COOPERATING*; Rating Moved to the 'Issuer Not Cooperating' category. |
| Non-convertible Debenture Programme | 350.0                             | 350.0                            | [ICRA]D ISSUER NOT COOPERATING*; Rating Moved to the 'Issuer Not Cooperating' category. |
| <b>Total</b>                        | <b>670.0</b>                      | <b>670.0</b>                     |   |

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

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

### Rationale

ICRA has moved the ratings for the Non-convertible debenture programme of Rural Fairprice Wholesale Limited to 'Issuer Not Cooperating' category on fee. The rating is denoted as "[ICRA]D ISSUER NOT COOPERATING".

As a part of its process and in accordance with its rating agreement with FCRPL, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite cooperation and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, the company's rating has been moved to the Issuer Not Cooperating category on fee.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [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="#">Corporate Credit Rating Methodology</a><br><a href="#">Policy in respect of non-co-operation by the rated entity</a><br><a href="#">Policy on Default Recognition</a> |
| Parent/Group Support            | Not Applicable  |
| Consolidation/Standalone        | Standalone  |

### About the company

Incorporated in September 2009, Rural Fairprice Wholesale Limited was a wholly-owned subsidiary of Future Corporate Resources Private Limited (FCRPL). With effect from April 01, 2019, Allfab Syntects and Commission Agency Private limits hold 100% stake in the company. RFWL trades in all kinds of fashion, foods, fast moving consumer goods (FMCG) and other related products with the Future Group entities as well as others.

## Key financial indicators (audited)

| RFWL Standalone                                      | FY2019 | FY2020 |
|--|--------|--------|
| Operating Income (Rs. crore)                         | 35.5   | 26.2   |
| PAT (Rs. crore)                                      | 0.0    | -138.1 |
| OPBDIT/OI (%)  | 0.1%   | -28.2% |
| RoCE (%)   | 0.0%   | -1.5%  |
| Total Outside Liabilities/Tangible Net Worth (times) | NM     | NM     |
| Total Debt/OPBDIT (times)                            | NM     | NM     |
| Interest Coverage (times)                            | NM     | NM     |
| DSCR (times)   | NM     | NM     |

Source: Company

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

## Any other information: None

## Rating history for past three years

|   | Instrument | Rating (FY2022) |              |                               |                                 | Rating History for the Past 3 Years |          |                        |                          |                          |
|---|------------|-----------------|--------------|-------------------------------|---------------------------------|-------------------------------------|----------|------------------------|--------------------------|--------------------------|
|   |            | Type            | Amount Rated | Amount Outstanding (Rs.Crore) | Date & Rating in                | FY2021                              |          | FY2020                 |                          | FY2019                   |
|   |            |                 |              |                               |                                 | 26-Oct-20                           | 1-Apr-20 | 20-Mar-20              | 3-May-19                 | 7-Jan-19                 |
| 1 | NCD        | Long-Term       | 320.00       | 320.00                        | [ICRA]D; ISSUER NOT COOPERATING | [ICRA]D                             | [ICRA]D  | [ICRA]BB+(CE) (Stable) | [ICRA]BBB(SO) (Negative) | [ICRA]BBB(SO) (Negative) |
| 2 | NCD        | Long-Term       | 350.00       | 350.00                        | [ICRA]D; ISSUER NOT COOPERATING | [ICRA]D                             | [ICRA]D  | [ICRA]BB+(CE) (Stable) | [ICRA]BBB(SO) (Negative) | -                        |

## Complexity level of the rated instrument

| Instrument | Complexity Indicator |
|------------|----------------------|
| NCD        | Simple               |

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 analyzing 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      |
|--------------|-----------------|-----------------------------|-------------|---------------|-------------------------|---------------------------------|
| INE204Z07014 | NCD             | Jan-18                      | 0.0%*       | 02-Apr-2021   | 320.00                  | [ICRA]D; ISSUER NOT COOPERATING |
| INE204Z07022 | NCD             | Apr-19                      | 0.0%**      | 10-Jul-2022   | 350.00                  | [ICRA]D; ISSUER NOT COOPERATING |

\*Redemption premium – 12.32%, \*\*Redemption premium – 13.00%

Source: Rural Fairprice Wholesale Limited

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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For more information, visit [www.icra.in](http://www.icra.in)

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### Branches



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