

RATING RATIONALE

JFC Finance (India) Limited

Brickwork Ratings has reviewed the ratings for the Non-Convertible Debentures of Rs 25 Crs. of JFC Finance (India) Limited based on best available information, as the issuer did not cooperate.

Particulars :

| Instrument** | Previous Amount (Rs in Crs) | Present Amount (Rs in Crs) | Tenure | Previous Rating (04 July 2019) | Present Rating# |
|--------------|--------------------------------|-------------------------------|-----------------------------------|------------------------------------|---|
| NCD/Bonds | 25.00 | 25.00 | Long Term | BWR BB- (Stable) | BWR B- (Stable) (ISSUER NOT COOPERATING)* |
| Total | 25.00 | 25.00 | Rs Twenty Five Crores Only | | |

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Issuer did not cooperate based on best available information

**Details of NCD is provided in Annexure-I

RATING ACTION NATURE OF NON-COOPERATION

The rating was due for review in July 2020 and BWR took up with the issuer to provide required information over emails. dated 10 June 2020 , 17 June 2020 and 25 June 2020. Despite best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the company's performance, its ability to service its debt and maintain a valid rating. In view of Issuer non cooperation , BWR has revised the rating to BWR B- , ISSUER NOT COOPERATING.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk and non-cooperation by the issuer to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

Company Financial Performance (As available in July 2019)

| Key Parameters | Units | 2018 | 2019 |
|------------------------|-------|---------|-------------|
| Result Type | | Audited | Provisional |
| Loan Portfolio (O/S) | ₹ Cr | 71.83 | 58.04 |
| Total Operating Income | ₹ Cr | 4.86 | 5.94 |
| PAT | ₹ Cr | 1.21 | (2.38) |
| Tangible Net worth | ₹ Cr | 54.36 | 65.12 |
| Net Interest Margin | % | 5.54 % | 5.54 % |
| CRAR | % | - | 17.29 % |

About the Company (As Available in June 2019)

JFC is a Delhi based RBI Registered Non Deposit Accepting NBFC, registered on 15th september 1998. The company is operating as a credit institution that offers a wide bouquet of debt products to meet the growing credit requirements of business individuals. The company provides commercial loans for industrial units, plant & Equipments, real estate, consumer goods of all kinds etc. The company also has experience in acquisition/takeover of the companies. The company has three directors namely Mr. Vijay Kumar Chopra, Mr. Sunil Kumar, and Mr. Virender Singh Rawat, they are well supported by able team of qualified personnel to execute day to day operations in the company.

Terms of the NCD Issue:

- JFC has raised Unsecured, Zero Coupon and Listed NCD amounting to Rs. 25 Crores with a tenor of 120 months. The proceeds of NCD to be used for general corporate purposes and at par, on private placement basis.
- Premium on redemption shall be calculated at simple interest rate of 7.50% per annum in case the debentures are redeemed on the redemption date, which is Ten years from the deemed date of allotment.
- The Redemption amount of debentures will be as under:
 1. At the face value in case the Debentures are redeemed prior to the redemption date.
 2. At the face value along with redemption premium in case the debentures are redeemed on redemption date.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - Not Applicable

Rating History for the last three years (including withdrawn/suspended ratings)

| No | Instrument /Facility | Current Rating (2020) | | | Rs in Crs | | | | | | |
|-------|----------------------|-----------------------|-----------------|---|--------------|----|---|--------------|----|--|--------------|
| | | Type | Amount (Rs Crs) | Rating | 04 July 2019 | | | 04 July 2018 | | | 30 June 2017 |
| 1. | NCD | Long Term | 25 | BWR B- (Stable) (Issuer Not Cooperation) (Downgrade) | NCD | 25 | BWR BB- (Stable) (Reaffirmation) | Proposed NCD | 25 | BWR BB - (Stable) (Reaffirmation) | - |
| Total | | | 25 | Rs Twenty Five Crores Only | | | | | | | |

COMPLEXITY LEVELS OF THE INSTRUMENTS

Formoreinformation, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **What Constitutes Non-Cooperation**

| Analytical Contacts | Investor and Media Relations |
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JFC Finance (India) Limited
ANNEXURE I

INSTRUMENT (NCD)

| Instrument | Issue Date | Amount in Rs Crs | Coupon Rate | Maturity Date | ISIN Particulars |
|------------|--------------|------------------|----------------------------|---------------|------------------|
| NCD | 28 June 2018 | 25 | Zero Coupon | 27 June 2028 | INE00wj08019 |
| Total | | 25 | Rs Twenty Five Crores Only | | |

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About Brickwork Ratings :Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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