

Press Release

Jindba Processors Private Limited

September 19, 2019

Rating Withdrawn



Total Bank Facilities Rated*	Rs. 22.00 Cr.
Long Term Rating	ACUITE BBB (Withdrawn)
Short Term Rating	ACUITE A2 (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) and the short-term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs. 22.00 crore bank facilities of Jindba Processors Private Limited.

The rating has been withdrawn on account of request received from the company and no due certificate received from the banker. The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating.

Jawandsons Group (JG) mainly comprises of Jawandsons, a partnership firm based in Ludhiana and Jindba Processors Private Limited, a company also based at Ludhiana. Jawandsons, established in 2000, is engaged in the business of manufacturing throws, blankets, cushion covers and mattress covers among others. Jawandsons majorly sells its products to IKEA, a major business client over the last 15 years. Jindba Processors Private Limited (JPPL) was incorporated in 2016. The company is currently involved in the business of trading of yarns and fabrics. JPPL has been mainly set up as backward integration unit to its group company, Jawandsons. Jawandsons is mainly involved in manufacturing and supplying of home furnishing and hosiery products in the export market. One of the key clients of Jawandsons is Dutch-based IKEA Trading Company Limited. JPPL will now be buying dyeing machines for yarn dyeing and fabric dyeing supplied to it by Jawandsons. The trading business is expected to go down in the future due to more focus on the dyeing business.

Analytical Approach

Acuité has considered the consolidated business and financial risk profiles of Jawandsons and Jindba Processors Private Limited (JPPL), together referred to as Jawandsons Group (AG) to arrive at the rating. The consolidation is due to the common promoters and future financial synergies within the group. The extent of consolidation is full.

About the Rated Entity - Key Financials

	Unit	FY19 (Provisional)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	358.15	311.09	226.91
EBITDA	Rs. Cr.	36.81	32.53	22.75
PAT	Rs. Cr.	16.16	11.93	5.79
EBITDA Margin	(%)	10.28	10.46	10.02
PAT Margin	(%)	4.51	3.83	2.55
ROCE	(%)	13.32	14.36	11.23
Total Debt/Tangible Net Worth	Times	1.66	1.80	1.50
PBDIT/Interest	Times	6.05	5.72	3.72
Total Debt/PBDIT	Times	3.65	3.61	3.61
Gross Current Assets (Days)	Days	126	151	175

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Entities in Manufacturing sector- <https://www.acuite.in/view-rating-criteria-4.htm>
- Trading entities- <https://www.acuite.in/view-rating-criteria-6.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Up to last three years)

Date	Name of the instrument/ facilities	Term	Amount (Rs. Crore)	Ratings/ Outlook
July 23, 2018	Term Loan	Long-Term	18.75	ACUITE BBB/Stable (Assigned)
	Over Draft	Long-Term	2.25	ACUITE BBB/Stable (Assigned)
	Bank Guarantee	Short-Term	1.00	ACUITE A2 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	18.75	ACUITE BBB (Withdrawn)
Over Draft	Not Applicable	Not Applicable	Not Applicable	2.25	ACUITE BBB (Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A2 (Withdrawn)

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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