

## Press Release

### Jindba Processors Private Limited

September 19, 2019



#### Rating Withdrawn

|                                     |                        |
|-------------------------------------|------------------------|
| <b>Total Bank Facilities Rated*</b> | Rs. 22.00 Cr.          |
| <b>Long Term Rating</b>             | ACUITE BBB (Withdrawn) |
| <b>Short Term Rating</b>            | ACUITE A2 (Withdrawn)  |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Acuité has withdrawn the long-term rating of '**ACUITE BBB** (**read as ACUITE triple B**) and the short-term rating of '**ACUITE A2** (**read as ACUITE A two**) on the Rs. 22.00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The rating has been withdrawn on account of request received from the company and no due certificate received from the banker.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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|--|---|
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### About Acuité Ratings & Research:

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