



Press Release

KAMAKSHI JUTE INDUSTRIES LIMITED

July 04, 2024

Rating Downgraded, Reaffirmed, Withdrawn and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|---------------------|---|--|
| Bank Ratings Loan | 21.38 | ACUITE BB Downgraded & Withdrawn Issuer not co-operating* | - |
| Bank Ratings Loan | 1.36 | Not Applicable Withdrawn | - |
| Bank Ratings Loan | 1.21 | - | ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 0.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 23.95 | - | - |

Rating Rationale

Acuite has downgraded & withdrawn the long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on Rs. 21.38 Cr. bank facilities of Kamakshi Jute Industries Limited and also reaffirmed and withdrawn the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) on Rs. 1.21 Cr. bank facilities of Kamakshi Jute Industries Limited.

Acuite has withdrawn the long-term proposed limit without assigning any rating on Rs. 1.36 Cr. bank facilities of Kamakshi Jute Industries Limited.

The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information. The rating has been downgraded on account of information risk.

The withdrawal is on account of the client's request and receipt of the NOC from the lead banker. The withdrawal is in accordance with Acuite's policy on withdrawal of ratings as applicable to the respective facility / instrument.

About the Company

Incorporated in 2004, Kamakshi Jute Industries Limited (KJIL) is engaged in manufacturing of hessian bags, sacks and jute yarn with manufacturing facility located at Cooch Behar, West Bengal spread across an area of 14.95 acres of land. The installed capacity is 3800 TPA for yarn, 2390 TPA for hessian bags and 8670 TPA for sacking. The company is currently managed by its directors Mr. Harsh Nahata, Mr. Virendra Nahata and Mr. Sushant Kumar Nahata. KJIL procures raw jute from suppliers located in Kolkata and nearly 90 percent sales are made to Directorate General of Supplies and Goods.

About the Group

Kamarhatty CO Limited was set up in 1877 under British managing agency Jardine Henderson Ltd which was later on taken over by its current director Mr. Sushant Kumar Agarwal in 1987 and is one of the oldest functioning composite jute mills in the locality. The company is engaged in manufacturing of hessian, sacks and jute yarn with manufacturing facility located in Kamarhatti, Kolkata, on the banks of the river Ganges. Currently, the company is managed by Mr. Harsh Nahata.

Keshava Jute Mills Private Limited (the 'Company') formerly Kishore Trading Company Private Limited is engaged in manufacturing of jute yam, hessian fabrics and sacking bags. Incorporated on 2nd November 2010, the company has its manufacturing unit in Rajam, Andhra Pradesh. Currently, the company is managed by its director Mr. Harsh Nahata.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuité's policies

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 23 (Actual) | FY 22 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 657.20 | 623.99 |
| PAT | Rs. Cr. | 22.14 | 20.34 |
| PAT Margin | (%) | 3.37 | 3.26 |
| Total Debt/Tangible Net Worth | Times | 1.12 | 0.97 |
| PBDIT/Interest | Times | 4.06 | 5.74 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|-------------------------------------|------------|-----------------|---|
| 31 May 2023 | Cash Credit | Long Term | 11.79 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable) |
| | Term Loan | Long Term | 9.59 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable) |
| | Proposed Ad-hoc Limits (Fund Based) | Long Term | 1.36 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable) |
| | Bank Guarantee (BLR) | Short Term | 1.21 | ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+) |
| 17 Mar 2022 | Cash Credit | Long Term | 11.79 | ACUITE BBB Stable (Reaffirmed) |
| | Term Loan | Long Term | 9.59 | ACUITE BBB Stable (Reaffirmed) |
| | Ad-hoc Limits (Fund Based) | Long Term | 1.36 | ACUITE BBB Stable (Reaffirmed) |
| | Bank Guarantee (BLR) | Short Term | 1.21 | ACUITE A3+ (Reaffirmed) |
| 25 Jan 2021 | Cash Credit | Long Term | 13.00 | ACUITE BBB Stable (Assigned) |
| | Term Loan | Long Term | 5.00 | ACUITE BBB Stable (Assigned) |
| | Term Loan | Long Term | 1.25 | ACUITE BBB Stable (Assigned) |
| | Term Loan | Long Term | 4.70 | ACUITE BBB Stable (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|---------------|----------------------|-------------------------------------|----------------------|----------------------|----------------------|------------------|-------------------|---|
| Yes Bank Ltd | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 1.21 | ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating* |
| Yes Bank Ltd | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 11.79 | ACUITE BB Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB+) |
| Yes Bank Ltd | Not avl. / Not appl. | Proposed Ad-hoc Limits (Fund Based) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 1.36 | Not Applicable Withdrawn |
| Yes Bank Ltd | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 9.59 | ACUITE BB Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB+) |

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

| Sr.No. | Company Name |
|--------|------------------------------------|
| 1 | Kamakshi Jute Industries Limited |
| 2 | Kamarhatty CO Limited |
| 3 | Keshava Jute Mills Private Limited |

Contacts

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|--|---|
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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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