



**Press Release**  
**JAI SHIV SYNCOTEX PRIVATE LIMITED**  
**February 17, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE BB   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned the long-term rating of '**ACUITE BB**' (read as **ACUITE Double Bo**)n the Rs. 30.00 crore bank facilities of Jai Shiv Syncotex Private Limited (JSSPL). The outlook is '**Stable**'.

**Rationale for Rating**

The rating reflects established track record and experience of the management in the textile industry for more than a decade. The rating gets comfort from benefits derived in business risk profile backed by promoters experience in running the business, improving profitability and adequate liquidity position. However, rating is constraint due to intensive working capital operations of the company.

**About the Company**

Jai Shiv Syncotex Private Limited (JSSPL), promoted by Mr. Giriraj Ajmera and Mrs. Nirmala Ajmera was incorporated in the year 2009 and is engaged in manufacturing and trading of synthetic cloths, and has a facility based in Bhilwara Rajasthan with installed capacity of 575000 meters per month. The registered office of this company is located at Bhilwara, Rajasthan.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Acuite has taken standalone financial and business risk profile of Jai Shiv Syncotex Private Limited to arrive at this rating.

**Key Rating Drivers**

**Strengths**

**Experienced Management**

The company is managed by the Ajmerafamily who have vast experience of more than a decade in the same line of business. The family manages other companies in the same line of business as Vimal Merchant Private Limited, Vimal Royal Fabrics Private Limited and Shivyansh Texfab Private Limited. This has enabled them to gain strong understanding of the market and industry dynamics. All companies are into manufacturing & trading of textiles in the industry. Acuite believes that with their experience, JSSPL will have benefit for acquiring new customers in near to medium term.

**Slight decline in Revenue albeit improved Profitability**

The revenue from the operations of the company declined by 9.39%, thereby reducing the topline from Rs. 102.12 Cr. in FY23 to Rs. 92.53 Cr. in FY24. This is mainly due to a decline in export sales. The operating margin of the company improved and stood at 5.34% in FY24 against 3.44% in FY23. The EBITDAimproved from Rs. 3.51 Cr. in FY2023 to Rs. 4.94 Cr. in FY2024. The Net Profits declined from Rs. 0.57 Cr. in FY23 to Rs. 0.36 Cr. in FY

24. This is mainly due to the company charged Rs. 0.45 Cr. as an non cash expense against the goods damaged in fire in May 2023. However, the adjusted PAT is Rs. 0.81 Cr. which is higher than last year. Acuite believes that topline of the company and profitability will improve with incremental revenues from manufacturing & trading segment of the business over the near to medium term.

### **Weaknesses**

#### **Moderate Financial Risk Profile**

The company's financial risk profile is marked by average net worth, gearing and debt protection metrics. The tangible net worth of the company improved to Rs. 21.08 Cr. as on March 31, 2024, from Rs. 20.73 Cr. as on March 31, 2023, due to accretion of profits in reserves. The Gearing of the company deteriorated and stood at 1.49 times as on March 31, 2024, as against 1.30 times as on March 31, 2023. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) also declined and stood high at 2.03 times as on March 31, 2024, as against 1.83 times as on March 31, 2023. The debt protection metrics of the company is marked by ISCR at 1.60 times and DSCR at 0.96 times as on March 31, 2024. However, Adjusted DSCR (after considering loss against fire) is at 1.05 times for FY23-24. The ROCE of the company is 7.1% in FY24. Acuité believes that going forward the financial risk profile of the company will improve backed by steady accruals and absence of debt funded capex.

### **Intensive Working Capital Operations**

The working capital operations of the company is intensive marked by Gross Current Assets (GCA) of 225 days as on 31st March 2024 as compared to 181 days as on 31st March 2023. The GCA days are high on account of inventory days which are at 109 days and debtor days at 102 days as on 31 st March 2024. As per management, the debtor days are high due to delay in payment from realization of bills. The creditor days of company is of 48 days as on 31 st March 2024. Acuité believes that the working capital operations of the company will remain at same level due to nature of the business.

### **Rating Sensitivities**

- Movement in scale of operations & Profitability
- Movement in Working Capital operations

### **Liquidity Position**

#### **Adequate**

The liquidity profile of the company is adequate marked by net cash accruals of Rs. 1.42 Cr. against its maturing debt obligations of Rs. 1.61 Cr. for the same year. Although it looked stretched, however, company charged Rs. 0.45 Cr. as a non-cash expense towards loss against fire. The adjusted net cash accruals for FY 2024 are Rs. 1.87 Cr. The cash & bank balance of the company is Rs. 0.92 Cr. as on 31st March 2024. The current ratio of the company is 1.56 times for FY 2024. The average utilization of fund-based limits for the last 16 months ending January 2025 is 91.18%. Acuite believes that liquidity profile of the company will be adequate in near future due to absence of debt funded capex and steady accruals.

### **Outlook - Stable**

### **Other Factors affecting Rating**

None.

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	92.53	102.12
PAT	Rs. Cr.	0.36	0.57
PAT Margin	(%)	0.38	0.56
Total Debt/Tangible Net Worth	Times	1.49	1.30
PBDIT/Interest	Times	1.60	1.97

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

None.

### Any other information

None.

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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. Acuité'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](http://www.acuite.in).

### Rating History :

Not Applicable.

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	26.00	Simple	ACUITE BB   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.55	Simple	ACUITE BB   Stable   Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	17 Aug 2022	Not avl. / Not appl.	31 Jul 2027	2.04	Simple	ACUITE BB   Stable   Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	11 Feb 2022	Not avl. / Not appl.	31 Oct 2028	0.41	Simple	ACUITE BB   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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