

August 08, 2014

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	7.00	SMERA D (Assigned)
Standby Line of Credit	1.00	SMERA D (Assigned)
Term Loan	0.75	SMERA D (Assigned)
Term Loan (proposed)	0.75	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D** (read as SMERA D)' to the abovementioned bank facilities of Shree Jagdamba Cotton Ginning & Pressing Factory (SJC). The rating reflects delays in debt servicing by the firm. The rating also reflects the firm's stretched liquidity position, which is evidenced by overdrawing in the standby line of credit.

About the firm

SJC, established in 1980, is a Gujarat-based partnership firm promoted by Mr. Mayur Shah and Mr. Hitesh Kumar Shah. SJC is engaged in ginning and pressing of raw cotton. The firm operates in an intensely competitive segment of the cotton industry.

For FY2012-13 (refers to financial year, April 01 to March 31), SJC reported profit after tax (PAT) of Rs.0.04 crore on operating income of Rs.54.58 crore, as compared with PAT of Rs.0.03 on operating income of Rs.37.42 crore in FY2011-12. The firm's net worth stood at Rs.3.03 crore as on March 31, 2013, as compared with Rs.2.39 crore a year earlier. SJC registered revenue of Rs.42.52 crore (provisional) in FY2013-14. The firm's net worth stood at Rs.3.73 crore (provisional) as on March 31, 2014.

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