

February 27, 2020

Jaydeep Cotton Fibres Pvt. Ltd.: Rating Withdrawn

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based-Cash Credit	82.00	82.00	[ICRA]BBB- (Stable); Withdrawn
Fund-based -Term Loan	10.54	10.54	[ICRA]BBB- (Stable); Withdrawn
Non-Fund-based-Bank Guarantee/LC	(41.50)	(41.50)	[ICRA]A3; Withdrawn
Non-Fund-based- Derivative/FC/CEL	4.50	4.50	[ICRA]A3; Withdrawn
Non-Fund-based- LC Backed Foreign Bill Discounting	20.00	20.00	[ICRA]A3; Withdrawn
Fund-based -OD against FD	3.00	3.00	[ICRA]A3; Withdrawn
Non-Fund-based-Treasury	2.00	2.00	[ICRA]A3; Withdrawn
Unallocated Limits	46.62	46.62	[ICRA]BBB- (Stable)/ [ICRA]A3; Withdrawn
Total	168.66	168.66	

Rationale

The long-term ratings and short-term assigned to Jaydeep Cotton Fibres Pvt. Ltd. have been withdrawn at the request of the company, based on the no-objection certificate provided by its banker. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating.

Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

Liquidity position

Not captured as the rating is being withdrawn.

Rating sensitivities

Not captured as the rating is being withdrawn.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Incorporated in 1997, Jaydeep Cotton Fibres Pvt. Ltd. (JCFPL) is involved in ginning and pressing of raw cotton. It is also engaged in trading of raw cotton, cotton bales and other agro-based commodities. JCFPL has also established its wholly owned subsidiary in Hong Kong in the name of “Pan Valley Exports”, which overlooks the international operations of JCFPL. To diversify its business, JCFPL has established a power unit “Pan Power” by installing a solar project at Dhamalpar in Rajkot, Gujarat. At present, the company is headed by Mr. Chirag Patel. The factory is located at Shapar, Gujarat and has 98 ginning machines to produce 27,072 MT of finished cotton per annum. The company markets its cotton bales under the brand name “Jaycot”, which is recognised in domestic and international market. The company is a part of the Jaycot Group, which has diversified business interest across cement, laminate manufacturing, agriculture equipment and agro-commodities trading.

Status of non-cooperation with previous CRA: Not applicable

Key financial indicators:

	FY2017	FY2018
Operating Income (Rs. crore)	367.91	353.99
PAT (Rs. crore)	11.13	12.32
OPBDITA/ OI (%)	6.47%	5.32%
RoCE (%)	13.99%	11.50%
Total Outside Liabilities/Tangible Net Worth (times)	1.33	1.35
Total Debt/OPBDITA (times)	3.09	4.92
Interest Coverage (times)	3.17	2.67
DSCR (excl. STD/prepayments)	1.90	1.49

Any other information: None

Rating history for last three years:

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					27-Feb-2020	17-Aug-2018	07-Apr-2017	27-Jun-2016
1	Cash Credit	Long Term	82.00	-	[ICRA]BBB-(Stable); Withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)
2	Term Loan	Long Term	10.54	-	[ICRA]BBB-(Stable); Withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)
3	Bank Guarantee/LC	Short Term	(41.50)	-	[ICRA]A3; Withdrawn	[ICRA]A3	[ICRA]A3	[ICRA]A3
4	Derivative/FC/CEL	Short Term	4.50	-	[ICRA]A3; Withdrawn	[ICRA]A3	[ICRA]A3	[ICRA]A3
5	LC backed foreign bill discounting	Short Term	20.00	-	[ICRA]A3; Withdrawn	[ICRA]A3	[ICRA]A3	[ICRA]A3
6	OD against FD	Short Term	3.00	-	[ICRA]A3; Withdrawn	[ICRA]A3	[ICRA]A3	[ICRA]A3
7	Treasury VaR	Short Term	2.00	-	[ICRA]A3; Withdrawn	[ICRA]A3	[ICRA]A3	[ICRA]A3
8	Unallocated Limits	Long Term/ Short Term	46.62	-	[ICRA]BBB-(Stable)/ [ICRA]A3; Withdrawn	[ICRA]BBB-(Stable)/ [ICRA]A3	[ICRA]BBB-(Stable)/ [ICRA]A3	[ICRA]BBB-(Stable)/ [ICRA]A3

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	82.00	[ICRA]BBB- (Stable); Withdrawn
NA	Term Loan-I	NA	NA	NA	3.04	[ICRA]BBB- (Stable); Withdrawn
NA	Term Loan -II	NA	NA	NA	7.50	[ICRA]A3; Withdrawn
NA	Bank Guarantee	NA	NA	NA	(5.00)	[ICRA]A3; Withdrawn
NA	Letter of Credit	NA	NA	NA	(30.00)	[ICRA]A3; Withdrawn
NA	Derivative/FC/CEL	NA	NA	NA	4.50	[ICRA]A3; Withdrawn
NA	LC backed foreign bill discounting	NA	NA	NA	20.00	[ICRA]A3; Withdrawn
NA	OD against FD	NA	NA	NA	3.00	[ICRA]A3; Withdrawn
NA	Letter of Credit	NA	NA	NA	(6.50)	[ICRA]A3; Withdrawn
NA	Treasury VaR	NA	NA	NA	2.00	[ICRA]A3; Withdrawn
NA	Unallocated Limits	NA	NA	NA	46.62	[ICRA]BBB- (Stable)/ [ICRA]A3; Withdrawn

Source: Jaydeep Cotton Fibres Pvt. Ltd.

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