

November 14, 2019

## Jaipur Integrated Texcraft Park Private Limited: Ratings revised to [ICRA]D

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Term Loan	25.00	25.00	[ICRA]D; revised from [ICRA]BB- (Stable)
<b>Total</b>	<b>25.00</b>	<b>25.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

The downward revision in the rating takes into consideration the delays in debt-serving of Jaipur Integrated Texcraft Park Private Limited (JITPPL), despite the cushion available in the form of debt service reserve account (DSRA), as confirmed by the lender. The rating is further constrained by JITPPL's increase in working capital intensity to 44.78% in FY2019 on the back of delay in collections from customers. Further, ICRA takes note of the increasing proportion of debtors falling under the greater than six-month category at Rs. 2.00 crore (~56.98% of total debtors) as on March 31, 2019.

### Key rating drivers and their description

#### Credit challenges

**Delays in debt servicing** – The company has delayed in servicing its debt obligations due to its stretched liquidity position.

#### Liquidity position: Stretched

JITPPL's liquidity is **stretched** as characterized by delays in debt repayments made over the past 3-4 months. This apart, stuck receivables from certain clients stresses its liquidity position.

#### Rating sensitivities

**Positive Trigger:** ICRA could upgrade JITPPL's ratings in the event of sustained debt repayments in a timely manner.

**Negative Trigger:** Not applicable

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	Not applicable
Consolidation/Standalone	Not applicable

## About the company

JITPL is a special purpose vehicle (SPV) promoted by hand block printers and garment manufacturers with operations in and around Jaipur. The specific objective of the 23-member company is to implement an Integrated Textile Park. The implementation process includes the project's development, operations and maintenance. The project is sanctioned under the Scheme for Integrated Textile Park (SITP). Moreover, the Government of India's grant for 40% of the project cost (excluding pre-operative expenses) has been approved and disbursed. The commercial operations of the Textile Park commenced partially from December 2012 and the textile park was inaugurated in July 2013.

In FY2017, the company reported a net loss of Rs. 0.9 crore on an operating income (OI) of Rs. 7.4 crore compared to a net loss of Rs. 1.9 crore on an OI of Rs. 7.4 crore in the previous year.

## Key financial indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	7.5	7.3
PAT (Rs. crore)	-0.7	0.7
OPBDIT/OI (%)	74.8%	73.1%
RoCE (%)	3.4%	4.8%
Total Outside Liabilities/Tangible Net Worth (times)	0.4	0.3
Total Debt/OPBDIT (times)	2.6	2.1
Interest Coverage (times)	2.9	3.8
DSCR	1.2	1.2

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

	Instrument	Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Current Rating	FY2019	FY2018	FY2017
					14-Nov-2019	11-Jun-2018	18-Apr-2017	1-Apr-2016
1	Fund-based Cash Credit	Long Term	25.00	8.31	[ICRA]D	[ICRA]BB-(Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)

Amount in Rs. Crore

### 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 [click here](#)

### Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	2009	NA	2022	25.00	[ICRA]D

Source: JITPPL

### Annexure-2: List of entities considered for consolidated analysis: Not applicable

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