

## Loknayak Jayprakash Narayan Shetkari Sahakari Soot Girni Limited

May 05, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	50.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B-; Stable; (Single B Minus; Outlook: Stable)
<b>Total Bank Facilities</b>	<b>50.00</b> <b>(Rs. Fifty Crore Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 22, 2019, placed the rating(s) of Loknayak Jayprakash Narayan Shetkari Sahakari Soot Girni Limited (LNJL) under the 'issuer non-cooperating' category as LNJL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. LNJL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated April 17, 2021. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The revision of the ratings assigned to the bank facilities of LNJL factors in delays in servicing of interest on the bank facilities due to stressed liquidity position.

### Detailed description of the key rating drivers

#### Key Rating Weaknesses

**Delays in servicing of interest obligations:** As per the banker feedback there were delays in interest servicing on the revolving demand loan facility, sanctioned by the bank, due to stressed liquidity position. However, the outstanding amount were fully repaid and the account was closed on a later date.

**Analytical approach:** Standalone

#### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology for Cotton Textile Manufacturing](#)

[Financial ratios – Non-Financial Sector](#)

#### About the Company

Nandurbar (Maharashtra) based Loknayak Jayprakash Narayan Shetkari Sahakari Soot Girni Limited (LJNSGL) was established as a cooperative society in the year 1979, promoted by Late Shri P.K. Anna Patil. The society has a total of 22 members. The society is engaged in the business of manufacturing of cotton yarn at its manufacturing facilities (two units) located at Nandurbar, Maharashtra, having an aggregate installed capacity of 56,880 spindles per annum. Apart from this, the society is also engaged in ginning and pressing unit for captive consumption to manufacture cotton yarn; for which the society usually procures the raw material (raw cotton and cotton bales) from the domestic market and also from the farmers based out in Nandurbar. The company markets its products under the brand name of "Jay Soot" and further sells its products to power looms and cloth manufacturers.

<sup>2</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY17 (A)	FY18 (UA)
Total operating income	283.02	219.39
PBILDT	8.32	14.31
PAT	0.26	0.48
Overall gearing (times)	2.61	3.00
Interest coverage (times)	1.68	1.27

A: Audited; UA: Unaudited

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

**Any other information:** Not applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Not applicable

**Complexity level of various instruments rated for this company:** Annexure 3

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Working Capital Limits	-	-	-	50.00	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Working Capital Limits	LT	50.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (01-Jun-20)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (22-Mar-19) 2)CARE B+; Stable (05-Apr-18)

\*Issuer did not cooperate; Based on best available information

#### Annexure 3: Complexity level of various instruments rated for this Firm

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Working Capital Limits	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

#### Disclaimer

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