

JCT Limited

January 07, 2022

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	14.98	CARE D (Single D)	Assigned
Long Term Bank Facilities	86.51 (Reduced from 90.00)	CARE D (Single D)	Reaffirmed
Short Term Bank Facilities	74.58 (Reduced from 105.30)	CARE D (Single D)	Reaffirmed
Total Facilities	176.07 (Rs. One Hundred Seventy-Six Crore and Seven Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities of JCT Limited continues to factor in delays in debt servicing by the company.

Rating Sensitivities

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Timely track record of debt servicing by company for more than 3 months.
- Sustainable improvement in operations of the company.

Detailed description of the key rating drivers

Key Rating Weaknesses

Instances of delays in servicing of debt obligation: The liquidity position of the company continues to remain weak on account of weak operational and financial performance leading to delay in debt servicing.

Liquidity: Poor

The liquidity of the company is poor, leading to delays in debt servicing.

Analytical approach: Standalone

Applicable Criteria:

[Criteria on assigning Outlook to Credit Ratings](#)

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

[Criteria for Short Term Instruments](#)

[Rating Methodology-Manufacturing Companies](#)

[Rating Methodology- Cotton textiles](#)

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

[Liquidity Analysis – Non-financial sector entities](#)

About the Company

JCT Limited (JCT) was incorporated as Jagatjit Cotton Textile Mills Limited in October 1946 and subsequently renamed to JCT in 1989. JCT is the part of Punjab based Thapar group. JCT is engaged in manufacturing of cotton, synthetic & blended fabrics and nylon filament yarn at its integrated textile facility in Phagwara (Punjab) and filament yarn facilities in Hoshiarpur (Punjab). JCT has installed capacity of 1,50,000 meters per day of cotton/blended fabrics and 50,000 meters per day of synthetic fabrics at its plant at Phagwara and 16000 Tonnes Per Annum (TPA) of nylon filament yarn at Hoshiarpur plant.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	H1FY22 (UA)
Total operating income	696.38	659.78	348.50
PBILDT	0.86	69.72	19.34
PAT	-44.56	14.70	-13.16
Overall gearing (times)	9.11	4.46	-
Interest coverage (times)	0.02	1.52	0.75

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: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	86.51	CARE D
Fund-based - ST-Packing Credit in Foreign Currency		-	-	-	0.30	CARE D
Non-fund-based - ST-BG/LC		-	-	-	74.28	CARE D
Fund-based - LT-Term Loan		-	-	Dec 2027	14.98	CARE D

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	Fixed Deposit	LT	-	-	-	-	1)Withdrawn (09-Mar-20)	1)CARE B (FD); Stable (24-Jan-19) 2)CARE D (FD) (10-Aug-18)
2	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (24-Jan-19) 2)CARE D (10-Aug-18)
3	Fund-based - LT-Cash Credit	LT	86.51	CARE D	-	1)CARE D (04-Feb-21)	1)CARE B; Stable (09-Mar-20)	1)CARE B; Stable (24-Jan-19) 2)CARE D (10-Aug-18)
4	Fund-based - ST-Packing Credit in Foreign Currency	ST	0.30	CARE D	-	1)CARE D (04-Feb-21)	1)CARE A4 (09-Mar-20)	1)CARE A4 (24-Jan-19) 2)CARE D (10-Aug-18)
5	Non-fund-based - ST-BG/LC	ST	74.28	CARE D	-	1)CARE D (04-Feb-21)	1)CARE A4 (09-Mar-20)	1)CARE A4 (24-Jan-19) 2)CARE D (10-Aug-18)
6	Fund-based - LT-Term Loan	LT	14.98	CARE D				

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Packing Credit in Foreign Currency	Simple
4	Non-fund-based - ST-BG/LC	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

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

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