

Jammu Pigments Limited

December 13, 2021

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	44.83	CARE BB; Stable; ISSUER NOT COOPERATING* (Double B; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	7.21	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Facilities	52.04 (Rs. Fifty-Two Crore and Four Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated December 28, 2020, placed the rating(s) of Jammu Pigments Limited (JPL) under the 'issuer non-cooperating' category as JPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. JPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated November 13, 2021, November 23, 2021, December 03, 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.

Detailed description of the key rating drivers

Please refer to PR dated [December 28, 2020](#)

Analytical approach: Consolidated

The company has operational synergies with its subsidiary Mittal Pigments Private Limited (MPPL) and hence consolidated approach has been considered.

Applicable Criteria:

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Incorporated in August 2005, JPL is part of Mittal group promoted by Mr Ramesh Agarwal. The company is primarily engaged in manufacturing of lead and zinc products like lead ingot, lead alloys, zinc oxide as well as trading of metals and chemicals. The lead products find application mainly in manufacturing of batteries whereas zinc oxide is mainly used as lubricant in industries like rubber, tyre and pharmaceuticals. Manufacturing units of JPL are located at Dariba (Rajasthan) and Kathua (Jammu & Kashmir).

Consolidated Brief financials of JPL and MPPL are tabulated below:

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)	FY21 (Prov.)
Total operating income	757.68	905.42	NA
PBILDT	29.52	27.97	NA
PAT	7.15	7.66	NA
Overall gearing (times)	1.12	1.10	NA
Interest coverage (times)	1.98	2.07	NA

A: Audited, Prov.: Provisional, NA: Not Available

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE publications

*Issuer did not cooperate; Based on best available information

Standalone Brief financials of JPL are tabulated below:

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)	FY21 (Prov.)
Total operating income	414.06	535.22	NA
PBILDT	21.07	19.66	NA
PAT	6.10	6.47	NA
Overall gearing (times)	0.71	0.63	NA
Interest coverage (times)	2.30	2.46	NA

A: Audited, Prov.: Provisional, NA: Not Available

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: Please refer Annexure -3

Complexity level of various instruments rated for this Company: Please refer Annexure-4

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-Cash Credit	-	-	-	25.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Standby Line of Credit	-	-	-	3.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	4.21	CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	March 2023	19.83	CARE BB; Stable; 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-Cash Credit	LT	25.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (28-Dec-20)	1)CARE BB+; Stable (04-Mar-20)	1)CARE BB+; Stable (24-Jan-19)
2	Fund-based - ST-Standby Line of Credit	ST	3.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (28-Dec-20)	1)CARE A4+ (04-Mar-20)	1)CARE A4+ (24-Jan-19)
3	Non-fund-based - ST-BG/LC	ST	4.21	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (28-Dec-20)	1)CARE A4+ (04-Mar-20)	1)CARE A4+ (24-Jan-19)
4	Fund-based - LT-Term Loan	LT	19.83	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (28-Dec-20)	1)CARE BB+; Stable (04-Mar-20)	1)CARE BB+; Stable (24-Jan-19)

*Issuer did not cooperate; based on best available information

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-Standby Line of Credit	Simple
4	Non-fund-based - ST-BG/LC	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@careedge.in for any clarifications.

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About CARE Ratings:

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