

JCT Limited

December 27, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	111.19	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	74.58	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

JCT Limited (JCT) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Ltd.'s rating on JCT's bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING*.

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 reaffirmation in the ratings assigned to bank facilities of JCT Limited factors subdued operational and financial performance during FY23 (refers to the period April 01, 2022, to March 31, 2023) resulting in negative cash accruals against the scheduled debt repayment obligations. Further, owing to the poor liquidity position of the company, there have been instances of delays in servicing of debt obligations and overutilization in working capital limits.

Analytical approach: Standalone

Detailed description of the key rating drivers:

Key weaknesses

Subdued operational and financial performance during FY23: The company has reported subdued operational and financial risk profile characterised by negative PBILDT margin of 6.69% in FY23 as against 4.09% in FY22. Further the company has negative cash accruals of Rs. 73.69 crore in FY23. Moreover, the capital structure of the company is also weak marked by negative overall gearing of 7.47x as on March 31, 2023, and negative coverage indicators.

Liquidity: Poor

The cash and bank balance as on March 31, 2023, stood at Rs. 0.27 crore. As per the audit report of FY23, there are continuous delays and defaults in repayment of certain debt obligations, and unpaid substantial liabilities.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

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

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Cotton Textile](#)

[Manufacturing Companies](#)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

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 (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	H1FY24 (UA)
Total operating income	804.91	640.05	NA
PBILDT	32.89	-42.81	NA
PAT	9.62	-85.36	NA
Overall gearing (times)	3.16	-7.47	NA
Interest coverage (times)	0.64	-0.98	NA

A: Audited UA: Unaudited; NA: Not Available, Note: 'the above results are latest financial results 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: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	86.51	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	January 2028	24.68	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-Packing Credit in Foreign Currency		-	-	-	0.30	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	74.28	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	86.51	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (05-Jan-23)	1)CARE D (07-Jan-22)	1)CARE D (04-Feb-21)
2	Fund-based - ST-Packing Credit in Foreign Currency	ST	0.30	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (05-Jan-23)	1)CARE D (07-Jan-22)	1)CARE D (04-Feb-21)
3	Non-fund-based - ST-BG/LC	ST	74.28	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (05-Jan-23)	1)CARE D (07-Jan-22)	1)CARE D (04-Feb-21)
4	Fund-based - LT-Term Loan	LT	24.68	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (05-Jan-23)	1)CARE D (07-Jan-22)	-

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the 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: Lender details

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

Note on the complexity levels of the rated instruments: 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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About us:

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