

## Jay Somnath Paper Mill

June 12, 2024

| Facilities/Instruments    | Amount (₹ crore) | Rating <sup>1</sup>                      | Rating Action  |
|---------------------------|------------------|--|--|
| Long Term Bank Facilities | 11.21            | CARE B-; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under 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

CARE Ratings Ltd. had, vide its press release dated April 28, 2023, placed the rating(s) of Jay Somnath Paper Mill (JSPM) under the 'issuer non-cooperating' category as JSPM 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. JSPM continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 13, 2024, March 23, 2024, April 02, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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).**

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

Please refer to PR dated [April 28, 2023](#)

### Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

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

### About the Firm

Rajkot-based (Gujarat), JSPM was established in January 2016 by Mr. Rahman Viradiya, Mr. Bakulbhai Viradiya, Mr. Girishbhai Kathiriya, Mr. Vijaybhai Kathiriya, Mr. Jayraj Kathiriya, Mr. Kanthibhai Vagasiya and Mr. Mayur Bhai Movaliyato carry out business of manufacturing kraft paper. JSPM has completed a green-field project to manufacture kraft paper with an installed capacity of 21,000 MT per annum at its manufacturing facilities located at Rajkot, Gujarat. JSPM is commenced operations from end of April 2017 onwards.

| Brief Financials (Rs. crore) | March 31, 2018 (A) |
|------------------------------|--------------------|
| Total operating income       | 42.65              |
| PBILDT                       | 2.81               |
| PAT                          | -1.35              |
| Overall gearing (times)      | 1.89               |
| Interest coverage (times)    | 2.41               |

A: Audited; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** CRISIL has continued the ratings assigned to the bank facilities of JSPM to the 'issuer not-cooperating' category vide press release dated August 17, 2023 on account of its inability to carryout review in the absence of requisite information from the firm.

**Any other information:** Not Applicable

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

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Covenants of the rated instruments/facilities:** Detailed explanation of the 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 (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|-----------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Fund-based - LT-Cash Credit |      | -                             | -               | -                          | 7.00                        | CARE B-; Stable; ISSUER NOT COOPERATING*  |
| Fund-based - LT-Term Loan   |      | -                             | -               | January 2024               | 4.21                        | CARE B-; Stable; 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 2024-2025 | 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 |
| 1       | Fund-based - LT-Term Loan               | LT              | 4.21                         | CARE B-; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (28-Apr-23) | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (20-Apr-22) | -   |
| 2       | Fund-based - LT-Cash Credit             | LT              | 7.00                         | CARE B-; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (28-Apr-23) | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (20-Apr-22) | -   |

\*Issuer did not cooperate; based on best available information; LT: Long 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           |

#### 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](mailto:care@careedge.in) for any clarifications.

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### About us:

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