

Jasmine Towels Private Limited

August 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	21.55	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	28.45	CARE A4; 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

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Jasmine Towels Private Limited (JTPL) to monitor the ratings vide e-mail communications dated May 14, 2025, August 18, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings.

In line with the extant SEBI guidelines, CARE Ratings 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. The rating on JTPL's bank facilities will now be denoted as **CARE BB-; Stable/CARE A4; 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 ratings.

The ratings have been revised on account of non-availability of requisite information due to non-cooperation by JTPL with CareEdge's efforts to undertake a review of the outstanding ratings as CARE views information availability risk as key factor in its assessment of credit risk profile.

The ratings assigned to the bank facilities of JTPL, are constrained by moderate scale of operations, susceptibility of profitability margins to volatility in raw material prices and forex fluctuations, working capital intensive nature of business and customer concentration risk. The ratings, however, derive strength from the experience of promoters in textile industry, comfortable capital structure and debt coverage indicators.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on July 04, 2024, the following were the rating strengths and weaknesses.

Key weaknesses

Moderate scale of operations with concentrated customer profile

The scale of operations of the company stood moderate at Rs. 70.38 crore in FY24 (refers to the period from April 01 to March 31), which declined from Rs. 89.86 crore in FY23 on account of slowdown in export demand. More than 80% of company's income is generated from exporting terry towels to USA. Further the customer profile is concentrated with the top 3 customers forming 70% of income in FY24.

Customer concentration in revenue profile

JTPL is a company that specializes in the production and export of towels. It primarily serves four to five key clients in the USA, including American Dawn INC, John Ritzenthaler Company, and R&R Textile Mills INC. The company's revenue structure is heavily reliant on its top two clients. Over the past three years, ending in FY24, the top three clients have accounted for between 70% and 79% of total sales. Despite this concentration, the company has maintained a long-standing relationship with these clients, spanning over a decade.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Working capital intensive nature of operations

The operations of the company are working capital intensive in nature as reflected by an elongated operating cycle due to the high average inventory days of 126 days in FY24 which had increased from 86 days in FY23 on account of slower movement of finished goods due to reduced export demand and shortage of vessels due to the ongoing red sea crisis.

Inherent volatility associated with raw material prices and forex fluctuations

The company's profitability is susceptible to the movement in the prices of cotton fibre and yarn which is the key raw material for production of terry rowels. The prices of cotton are volatile in nature and depend upon factors such as area under production, yield, vagaries of monsoon, international demand supply scenario, inventory carry forward from the previous year and export quota along with minimum support price (MSP) decided by the government. Prices of raw cotton have been volatile over last couple of years, which translates into risk of inventory losses for the industry players. The company's revenue stream is majorly dependent on exports and the margins are susceptible to fluctuations in the Rupee-Dollar exchange rate. The PBILDT margins of the company has been volatile in the range of 8.91%-10.76% over past three years ended FY24.

Key strengths

Extensive experience of the promoters

The company is promoted by Mr. Nayan Thakker and his two sons, Mr. Ritan Thakker and Mr. Rishub Thakker. Mr. Nayan Thakker, Managing Director, has around four decades of experience in the textile sector in the production of terry towels. Mr. Ritan Thakker, Director, is a B.E (Mechanical) graduate and has a decade of experience in the textile industry. He looks after the production and purchasing department. Mr. Rishub Thakker, Director, is an MBA (Finance) graduate and has a decade of experience in the textile industry and looks after the export sales division.

Comfortable capital structure and debt coverage indicators

The capital structure of the company stood comfortable with overall gearing at 0.70x as on March 31, 2024, albeit increased from 0.43x as on March 31, 2023, due to the debt funded capex incurred towards modernization of machineries and installation of captive solar. The interest coverage stood comfortable at 3.32x in FY24. The debt coverage indicators marked by Total Debt/GCA stood moderate at 5.16x as on March 31, 2024, against 3.79x as on March 31, 2023.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Cotton Textile](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

JTPL was incorporated in 1994 by Mr. Nayan Thakker and Mrs. Darshan Thakker. JTPL is primarily engaged in the manufacturing of cotton terry towels. The company's manufacturing facilities are located in Perungudi and Kanjirankulam, equipped with installed capacity of 5200 spindles and 56 weaving looms. JTPL's product range encompasses various types of terry towels, including zero twist towels, beach towels, Egyptian towels, bamboo towels, combed towels, and texture towels, among others.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	80.88	89.86	70.38
PBILDT	8.71	8.00	7.55
PAT	2.11	1.46	0.28

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Overall gearing (times)	0.43	0.59	0.70
Interest coverage (times)	6.31	4.85	3.32

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA:

India Ratings and Research Private Limited (India Ratings) has conducted a review based on the best available information and has classified JTPL as “non-cooperative” vide its press release dated December 13, 2024. The reason provided by India Ratings is the non-furnishing of information for monitoring of rating.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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 and Rating Outlook
Fund-based - LT-Term Loan		-	-	May 2026	21.55	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Packing Credit in Indian rupee		-	-	-	26.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-Standby Line of Credit		-	-	-	2.20	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Forward Contract		-	-	-	0.25	CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for 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 2025-2026	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
1	Fund-based - ST-Packing Credit in Indian rupee	ST	26.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (04-Jul-24)	1)CARE A4; ISSUER NOT COOPERATING* (18-Oct-23)	1)CARE A4; ISSUER NOT COOPERATING* (21-Sep-22)
2	Non-fund-based - ST-Forward Contract	ST	0.25	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (04-Jul-24)	-	-
3	Fund-based - ST-Standby Line of Credit	ST	2.20	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (04-Jul-24)	-	-
4	Fund-based - LT-Term Loan	LT	21.55	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (04-Jul-24)	-	-

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

LT: Long term; ST: Short term

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

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - ST-Packing Credit in Indian rupee	Simple
3	Fund-based - ST-Standby Line of Credit	Simple
4	Non-fund-based - ST-Forward Contract	Simple

Annexure-5: Lender details

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

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

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