



Rating Rationale

Jyoti Threads (India) Ltd.

24th January 2017

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of Jyoti Threads (India) Ltd.

Particulars

Facility Rated	Amount (Rs. Crs.)	Tenure	Rating Assigned*
Fund Based			
Cash Credit	6.20	Long Term	BWR BB Pronounced BWR Double B (Outlook: Stable)
Term Loan	11.33		
Total	17.53	Rupees Seventeen Crores and Fifty Three Lakhs Only	

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon audited financial results of Jyoti Threads (India) Ltd. upto FY16 and projected financials for FY17, publicly available information and information provided by the management.

The rating has, inter alia, factored in the experienced management, moderate tangible net worth with leverage levels in comfortable range, moderate debt protection metrics and comfortable liquidity position. The rating is, however, constrained by declining sales and operating margins.

Going forward scaling up of business, meeting projections, and ensuring timely service of debt would be the key rating sensitivities.



Rating Outlook: Stable

BWR believes the **Jyoti Threads (India) Ltd.** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

M/s Jyoti Threads (India) Ltd. was promoted by Madan Lal, Ashok Kumar and Manish Singla. The company is located at Samana, Patiala in Punjab. The company commenced its operations in 2007. The company is in into manufacturing of Cotton Yarn.

Company Financial Performance

JTIL reported operating income of Rs. 66.21 Crs. with a net profit of Rs. 0.63 Crs. against an operating income of Rs. 77.24 Crs. with a net profit of Rs. 0.68 Crs in FY15.

Rating History for the last three years (including withdrawn/suspended ratings)

Facility	Current Rating (2017)			Rating History		
	Tenure	Amount (RsCrs)	Rating	2016	2015	2014
Cash Credit	Long Term	6.20	BWR BB (Outlook Stable)	NA	NA	NA
Term Loan		11.33		NA	NA	NA

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)



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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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