

August 03, 2015

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	2.65	SMERA B/Stable (Assigned)
Term loan	3.70	SMERA B/Stable (Assigned)

SMERA has assigned a long term rating of '**SMERA B' (read as SMERA B)** to the above mentioned bank facilities of JRK Industries Private Limited (JIPL). The outlook is '**Stable**'. The rating is constrained by the company's small scale of operations, declining revenues, low net worth and low debt protection metrics. However, the rating is supported by the company's experienced management.

**Outlook: Stable**

SMERA believes that JIPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' if the firm is able to expand its scale of operations while maintaining healthy profitability and timely execution. On the contrary, the outlook may be revised to 'Negative' in case of decline in the scale of operations resulting in deterioration of revenues affecting margins and liquidity.

**About the Company**

JRK Industries Private Limited (JIPL) was incorporated in 1997 by Mr. Rajesh Kumar Jalan. A Jaipur-based company, JIPL manufactures low carbon galvanized wires and strip for armouring of land cables at its manufacturing facility at Jaipur.

For FY2013-14, the company reported net loss of Rs.1.46 crore on operating income of Rs.14.02 crore as compared with net loss of Rs.1.13 crore on operating income of Rs.22.95 crore for FY2012-13. For FY2014-15, the company reported profit after tax (PAT) of Rs.0.33 crore on operating income of Rs.12.49 crore.

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SMERA RATINGS LIMITED

## JRK Industries Private Limited (JIPL)

*Rating  
Rationale*

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