



JCC Infraprojects Private Limited (JCC)

Rating Rationale

SMERA RATINGS LIMITED

August 07, 2015

Facilities	Amount (Rs. Crore)	Ratings
Overdraft	14.00	SMERA BB/Stable (Assigned)
Bank Guarantee	12.00	SMERA A4+ (Assigned)

SMERA has assigned a rating of '**SMERA BB (read as SMERA double B)**' to the Rs.14.00 crore long term facility and '**SMERA A4+ (read as SMERA A four plus)**' to the Rs.12.00 crore short term facility of JCC Infraprojects Private Limited (JCC). The outlook is '**Stable**'. The ratings draw comfort from the company's long track record of operations, experienced management and moderate financial profile. The rating also takes into account the fair visibility of revenues over the medium term and healthy order book. However, the ratings remain constrained due to the high dependency on orders from government entities, working capital intensive operations and competitive nature of industry that it operates in.

Outlook: Stable

SMERA believes JCC will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management and moderate financial profile. The outlook may be revised to 'Positive' in case the company generates healthy cash flows while achieving efficient working capital management. The outlook may be revised to 'Negative' in case of stretch in the firm's liquidity position or in case of delays in execution of projects.

About the Company

JCC Infraprojects Private Limited incorporated in 2014 (the erstwhile Jain Construction Co, a partnership firm established in 1986) is an Ajmer-based company promoted by Ajay Kumar Jain and his family. The company is engaged in the construction of railway siding, government buildings such as hospitals, colleges and railways stations among others. JCC is a registered contractor with government departments such as Public Works Departments (PWD) Rajasthan, Urban Improvement Trust (UIT), Ajmer and Rajasthan Agriculture Marketing Board.

For FY2013-14, JCC reported profit after tax (PAT) of Rs.0.36 crore on operating income of Rs.19.63 crore, as compared with PAT of Rs.1.42 crore on operating income of Rs.37.91 crore in FY2012-13. The company reported PAT of Rs.2.13 crore (provisional) on operating income of Rs.32.82 crore (provisional) in FY2014-15. JCC's net worth stood at Rs.9.80 crore as on March 31, 2014, as compared with Rs.10.36 crore a year earlier.

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Rationale*

Contact List:

Media / Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 98208 02479 Email: antony.jose@smera.in	Mohit Jain Vice President – Rating Operations Tel: +91-22-6714 1105 Email: mohit.jain@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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