



**Press Release**  
**JCC Infraprojects Private Limited**  
**November 10, 2023**  
**Rating Reaffirmed & Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE BB   Reaffirmed & Withdrawn	-
Bank Loan Ratings	75.00	-	ACUITE A4+   Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	105.00	-	-

**Rating Rationale**

Acuite has reaffirmed & withdrawn the long term rating of '**ACUITE BB**' (read as **ACUITE Double B**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A Four plus**) on the Rs. 105.00 crore bank facilities of JIPL. The rating has been withdrawn on account of the request received from the company along with no objection certificate received from the lender as per Acuite's policy on withdrawal of ratings.

**Rationale for rating**

The rating on JIPL takes into account the growth in the operating income and stability in operating margins over the medium term. The rating is supported by the experienced management, long track record of operations and moderate financial risk profile.

**About the Company**

JIPL, 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 family. The Company engaged in construction of railways siding, broad gauge conversion, government buildings like hospitals, colleges and railways stations, major & minor bridge etc.

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of JIPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Experienced Management**

JCC Infra projects Private Limited (JIPL) was incorporated in the year 2014 (conversion from partnership firm – Jain Construction Company) and has established presence of over three decades in the infrastructure construction. The company is promoted by Mr. Ajay Kumar Jain and Mr. Vijay Kumar Jain, who possess over 3 decades of experience in the industry. The extensive experience of the promoters and the established presence of the company has helped to get tenders.

**Revenue and profitability**

The operating income of the company improved and stood at 132.65 Cr. in FY2023 (Prov.) as

against Rs. 78.48 Cr. in FY2022. The operating margin of the company showed dip of 111 bps and stood at 8.72 percent in FY2023 (Prov.) as against 9.83 percent in FY2022. PAT margin

stood at 2.68% in FY 2023 (Prov) as against 2.65 % in FY2022.

### **Weaknesses**

#### **Moderate Financial Risk Profile**

Company has moderate financial risk profile marked by low net worth and moderate debt protection metrics. JIPL's net worth stood at Rs. 26.91 Cr as on 31st March 2023 (Prov.) as against Rs. 22.69 Cr as on 31st March 2022. Improvement in net worth is on account of profit accretion. Gearing levels (debt-to-equity) moderated and stood at 1.78 times as on March 31, 2023 (Prov.) as against 1.24 times as on March 31, 2022 and Total outside liabilities to total net worth (TOL/TNW) stood at 2.69 times as on March 31, 2023 (Prov.) vis-à-vis 2.16 times as on March 31, 2022. Further, there is dip in Debt-EBITDA which stood at 3.98 times as on 31st March 2023 (Prov.) as against 3.50 times as on 31st March 2022. The coverage indicators of the company stood moderate as apparent from the interest coverage ratio which is 2.47 times for FY2023 as against 2.20 times in FY2022 and Debt service coverage ratio stood at 1.29 times in FY2023 (Prov.) as compared to 1.08 times in FY2022.

#### **Intensive Working capital operations**

JIPL has Intensive working capital requirements as evident from gross current assets (GCA) of 249 days as on March 31, 2023 (Prov.) as compared to 283 days in previous year. Debtor days have decreased to 52 days as on March 31, 2023 (Prov.) as against 67 days in preceding year. Inventory days have increased to 159 days as on March 31, 2023 (Prov.) as against 146 days in preceding year. Further, the current ratio of JIPL stood at 1.48 times as on March 31, 2023 (Prov.).

#### **Rating Sensitivities**

Not Applicable

#### **All Covenants**

Not Applicable

#### **Liquidity Position**

##### **Adequate**

JIPL has adequate liquidity marked by net cash accruals to its maturing debt obligations. Company generated cash accruals of Rs. 5.76 crore for FY2023 as against Rs. 3.39 crore of repayment obligations for the same period. Current Ratio stood at 1.48 times as on 31 March 2023 (Prov.) as against 1.44 times in the previous year. The average bank limit utilization stood at 82.36% in past 12 months ending September 2023. Therefore, company has adequate liquidity to meets its requirements.

#### **Outlook: Not Applicable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	132.65	78.48
PAT	Rs. Cr.	3.55	2.08
PAT Margin	(%)	2.68	2.65
Total Debt/Tangible Net Worth	Times	1.78	1.24
PBDIT/Interest	Times	2.47	2.20

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Feb 2023	Secured Overdraft	Long Term	7.25	ACUITE BB   Stable (Upgraded from ACUITE B+)
	Secured Overdraft	Long Term	6.75	ACUITE BB   Stable (Upgraded from ACUITE B+)
	Bank Guarantee	Short Term	12.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Secured Overdraft	Long Term	16.00	ACUITE BB   Stable (Assigned)
	Bank Guarantee	Short Term	63.00	ACUITE A4+ (Assigned)
19 Oct 2022	Bank Guarantee	Short Term	12.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	14.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
22 Jul 2021	Bank Guarantee	Short Term	12.00	ACUITE A4+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	14.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
25 Apr 2020	Bank Guarantee	Short Term	12.00	ACUITE A4+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	14.00	ACUITE BB (Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Indian Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	63.00	ACUITE A4+   Reaffirmed & Withdrawn
Indian Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	12.00	ACUITE A4+   Reaffirmed & Withdrawn
Indian Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	6.75	ACUITE BB   Reaffirmed & Withdrawn
Indian Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	16.00	ACUITE BB   Reaffirmed & Withdrawn
Indian Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	7.25	ACUITE BB   Reaffirmed & Withdrawn

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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