

Press Release

J K Sons Engineers Private Limited (JKSEPL)

December 16, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 30.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A2+) Issuer not co-operating*

Refer Annexure for details`

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed and downgraded the long-term rating to **ACUITE BB+' (read as ACUITE double B plus)** from **ACUITE BBB' (read as ACUITE triple B)** and short-term rating to **ACUITE A4+' (read as ACUITE A four plus)** from **ACUITE A3+' (read as A three plus)** on the Rs. 6.00 crore bank facilities of Jay Instruments and Systems Private Limited (JISPL). This rating is now an indicative rating and is based on best available information.

Bilaspur Mining Industries Private Limited (BMIPPL) was incorporated in 1997 by Mr. Jai Prakash Agarwal and Mr. Malay Kumar Dutta. The company manufactures special purpose machineries, mainly used in the mining industry. The ISO 9001:2008 certified company is engaged in the manufacturing of PP/ Block Bottom Valve/ LPP/ HDPE bags. The installed capacity stands at 7500 MT. Going forward, BMPL plans to stop manufacturing of special purpose machineries.

JK Sons Engineers Private Limited (JK Sons), a Chattisgarh-based company was incorporated in 2008 by Mr. Jai Prakash Agarwal, Mr. Pranav Prakash Agarwal and Mr. Satya Prakash Agarwal. The ISO 9001:2008 certified company is engaged in the manufacturing of PP/HDPE bags and caters to various industries including cement, fertilizer and chemicals, among others. The company expanded its capacity from 4200 MT per annum to 9600 MT per annum in 2012.

Analytical Approach

Acuité has consolidated the business and financial risk profiles of JK Sons Engineers Private Limited and Bilaspur Mining Industries Private Limited, together referred to as the JK Group (JKG). The consolidation is due to the common management, apart from significant financial and operational synergies within the group. Extent of Consolidation: Full.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information

about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

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

Not applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
17-April-2018	Cash Credit	Long Term	12.00	ACUITE BBB+ Issuer not co-operating*
	Term Loan I	Long Term	8.24	ACUITE BBB+ Issuer not co-operating*
	Term Loan II	Long Term	2.29	ACUITE BBB+ Issuer not co-operating*
	Term Loan III	Long Term	0.84	ACUITE BBB+ Issuer not co-operating*
	Bank Guarantee	Short Term	1.00	ACUITE A2+ Issuer not co-operating*
	Proposed Cash Credit Facility	Long Term	3.00	ACUITE BBB+ Issuer not co-operating*
	Proposed Bank Facility	Long Term	2.63	ACUITE BBB+ Issuer not co-operating*
07-Feb-2018	Cash Credit	Long Term	12.00	ACUITE BBB+/Stable (Assigned)
	Term Loan I	Long Term	8.24	ACUITE BBB+/Stable (Assigned)
	Term Loan II	Long Term	2.29	ACUITE BBB+/Stable (Assigned)
	Term Loan III	Long Term	0.84	ACUITE BBB+/Stable (Assigned)
	Bank Guarantee	Short Term	1.00	ACUITE A2+ (Assigned)
	Proposed Cash Credit Facility	Long Term	3.00	ACUITE BBB+/Stable (Assigned)
	Proposed Bank Facility	Long Term	2.63	ACUITE BBB+/Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*
Term Loan I	Not Applicable	Not Applicable	Not Applicable	8.24	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*

Term Loan II	Not Applicable	Not Applicable	Not Applicable	2.29	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*
Term Loan III	Not Applicable	Not Applicable	Not Applicable	0.84	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ (Downgraded from ACUITE A2+) Issuer not co-operating*
Proposed Cash Credit Facility	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.63	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile ACUITE Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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