

## Press Release

JLPL Infrastructures Private Limited

August 30, 2022



### Rating Upgraded & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	ACUITE B-   Upgraded & Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	15.00	-	-

### Rating Rationale

Acuite has upgraded and withdrawn the long-term rating to '**ACUITE B-**' (read as ACUITE B Minus) from '**ACUITE D**' (read as ACUITE D) on the Rs.15.00 Cr. bank facilities of JLPL Infrastructures Private Limited (JLPL). The rating withdrawal is in accordance with Acuite's policy on withdrawal of ratings. The rating is being withdrawn on account of request received from the company and no objection certificate (NOC) received from the bankers.

#### Rationale for upgrade

The rating upgrade takes into account the clean track record of banking conduct and satisfactory feedback from the bankers. Further the rating takes into consideration the range bound topline of the company and promoters experience.

#### About the Company

Punjab-based, Janta Estates and Housing Development was established as a partnership firm in 1995 and later changed its name to JLPL Infrastructures Private Limited and its constitution to a private limited company in 2014. The company is engaged in civil construction work at Mohali (Punjab). The company is headed by S. Kulwant Singh and is currently working on projects of Janta Land Promoters Private Limited (JLPPL) under sector 66A of Mohal

#### Analytical Approach

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

#### Key Rating Drivers

##### Strengths

##### Established track record of operations and experienced management

The entity was established as a partnership concern in 1995 and later changed its constitution to a private limited company in 2014. Mr. Paramjit Singh (Director) and Mr. Kulwant Singh (Director) have more than two decades of experience in the civil construction industry. The extensive experience of the promoters is reflected through the established relationship with its customers and suppliers.

## Moderate Financial Risk Profile

JPL has Moderate financial risk profile marked by Moderate net worth and Moderate debt protection metrics. JPL net worth stood at Rs. 26.71 Cr as on 31st March 2022(Prov.) as against Rs. 25.30 as on 31st March 2021(Audited). Gearing levels (debt-to-equity) stood at 0.27 times as on March 31, 2022 as against 0.34 in FY 2021(Audited). Further, the interest coverage ratio stood at 5.43 times for FY2022 (Prov.) as against 5.74 times in FY2021. Debt service coverage ratio stood at 3.72 times in FY2022 (Prov.) in comparison to 3.37 times in FY2021 (Audited). Total outside liabilities to total net worth (TOL/TNW) stood at 0.95 times as on FY2022 (Prov.) vis-à-vis 1.20 times as on FY2021 (Audited).

## Weaknesses

### Intensive working capital operations

JPL has Intensive working capital requirements gross current assets (GCA) stood at 431 days in FY2022 as compared to 491 days in FY2021. Debtor days stood at 143 days in FY2022 as against 124 days in FY2021. Inventory days stood at 288 days in FY 22 as against 380 days in FY21. Creditor Days stood at 61 days in FY 22 as against 100 days in FY 21. The working capital limits are utilized at ~85 per cent during the last Six months (till June 22).

## Rating Sensitivities

- Significant improvement in operating performance of the firm leading to improvement in overall financial risk profile
- Any deterioration in its liquidity leading to deterioration in debt protection metrics.

## Material covenants

None

## Liquidity Position

### Adequate

JPL has adequate liquidity marked by adequate net cash accruals to its maturing debt obligations. Firm generated cash accruals of Rs. 2.05 crore for FY2022 (Prov.) as against Rs. 0.13 crore of repayment obligations for the same period. Current Ratio stood at 1.52 times as on 31 March 2022(Prov.) as against 2.07 times in the previous year. Therefore, company has adequate liquidity to meet its requirements.

## Outlook

Not applicable

## Other Factors affecting Rating

None

## Key Financials

Particulars	Unit	FY 22 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	30.67	29.66
PAT	Rs. Cr.	1.41	2.44
PAT Margin	(%)	4.60	8.23
Total Debt/Tangible Net Worth	Times	0.27	0.34
PBDIT/Interest	Times	5.43	5.74

## 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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria->

**Note on complexity levels of the rated instrument**<https://www.acuite.in/view-rating-criteria-55.htm>**Rating History**

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Feb 2022	Proposed Bank Facility	Long Term	7.69	ACUITE D (Downgraded from ACUITE B   Stable)
	Cash Credit	Long Term	4.90	ACUITE D (Downgraded from ACUITE B   Stable)
	Term Loan	Long Term	1.06	ACUITE D (Downgraded from ACUITE B   Stable)
	Proposed Working Capital Term Loan	Long Term	1.35	ACUITE D (Assigned)
13 Dec 2019	Proposed Bank Facility	Long Term	7.44	ACUITE B   Stable (Reaffirmed)
	Cash Credit	Long Term	6.50	ACUITE B   Stable (Reaffirmed)
	Term Loan	Long Term	1.06	ACUITE B   Stable (Reaffirmed)
06 Nov 2018	Cash Credit	Long Term	7.00	ACUITE B   Stable (Assigned)
	Term Loan	Long Term	1.06	ACUITE B   Stable (Assigned)
	Proposed Bank Facility	Long Term	1.94	ACUITE B   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Small Industries Development Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.90	ACUITE B-   Upgraded & Withdrawn
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	7.69	ACUITE B-   Upgraded & Withdrawn
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.06	ACUITE B-   Upgraded & Withdrawn
Small Industries Development Bank of India	Not Applicable	Working Capital Term Loan	25-03-2021	8.25	31-03-2025	1.35	ACUITE B-   Upgraded & Withdrawn

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### About Acuité Ratings & Research

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