



Press Release
JRA INFRASTRUCTURE LIMITED (ERSTWHILE JRA INFRASTRUCTURE PRIVATE L
March 30, 2024
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	27.50	ACUITE C Reaffirmed	-
Bank Loan Ratings	18.00	ACUITE D Reaffirmed	-
Bank Loan Ratings	57.50	-	ACUITE A4 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	103.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE C**' (read as **ACUITE C**) on the Rs. 27.50 crore bank facilities of JRA Infrastructure Limited (JRIL).
 Acuite has also reaffirmed its long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 18.00 crore bank facilities of JRA Infrastructure Limited (JRIL).
 Acuite has reaffirmed the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 57.50 crore bank facilities of JRA Infrastructure Limited (JRIL).

The rating has been reaffirmed considering feedback received from of the lender's of the company and other credit bureau information reports indicating recent delays in debt servicing by the company.

About the Company

Ahmedabad based, JRA Infrastructure Limited (JRIL) was established as a partnership firm in 1986, which got converted into a private limited company in 2007. Later in June 2019, the company changed its constitution into a public limited company. The company undertakes civil construction projects related to roads, bridges and railways. The directors of the company are Mr. Jugalkishor R. Agrawal, Mr. Anilkumar R. Agrawal, Mr. Sanjaykumar J. Agrawal, Mr. Rajiv J. Agrawal, Mr. Arpit A. Agrawal and Mr. Yash Agrawal

Unsupported Rating

Not Applicable

Analytical Approach

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

Key Rating Drivers

Strengths

Established track record of operations with experience management and reputed government clientele

JRAIL was established in 1986 and has an operational track record of over three decades in the infrastructural construction industry. The directors of the company have an experience of over three decades in the aforementioned line of business. The long track record of operations and experience of management have helped the company to forge healthy relationships with reputed government clients and its suppliers.

Weaknesses

Working capital intensive operations

The operations of SEPL are working capital intensive marked by its Gross Current Assets (GCA) of 301 days for FY2023 as against 237 days for FY2022. The creditor days stood at 145 days in FY2023 against 180 days in FY2022. On the other hand, the inventory cycle of the company elongated to 111 days for FY2023 as against 72 days for FY2022. The debtor days improved to 27 days in FY2023 against 60 days in FY2022.

Average financial risk profile

Financial risk profile of JRAIL is moderate marked by moderate net worth, low gearing, and average debt protection metrics. The net worth of the company has improved and stood moderate at Rs.81.35 Cr. as on 31 March 2023 as against Rs.78.04 Cr. as on 31 March 2022 on account of moderate accretion to reserves. The gearing (debt-equity) stood improved at 0.86 times as on 31 March 2023 as against 1.14 times as on 31 March 2022. The DSCR of the company stood below unity at 0.77 times in FY2023 against 1.87 times in FY2022. The debt-EBITDA moderated to 3.29 times in FY2023 against 3.01 times in FY2022.

Delays in Debt Servicing

There have been recent delays in the debt servicing by the company as has been stated in written feedback received by one of its lender's. Further, the credit bureau information report indicated continuing defaults in the debt servicing.

Sales and profitability

SEPL reported degrowth in the revenue of FY2023 standing at Rs. 170.71 Cr. as against that of Rs. 209.71 Cr. in FY2022 due to highly competitive market. The operating margin of the company has marginally declined and stood at 10.71 percent in FY23 as against 11.95 percent in FY22.

Rating Sensitivities

Timely execution of orders.

Timely servicing of debt obligations.

Liquidity Position Stretched

SEPL has Stretched liquidity position marked by insufficient cash accruals generation to its maturing debt repayment obligations in FY2023. The company generated cash accruals of Rs.12.85 Cr. in FY2023 against debt repayment obligation of Rs.18.85 Cr. The working capital operations of the company are intensive in nature marked by its gross current asset (GCA) days of 301 days for FY2023 as against 237 days for FY2022. Current ratio stands at 1.66 times as on 31 March 2023. The company has maintained cash & bank balance of Rs.1.11 Cr in FY2023. Further, delays have been reported in debt servicing by the company as per written feedback received from one its lender and credit bureau information report.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	170.71	209.71
PAT	Rs. Cr.	3.66	10.03
PAT Margin	(%)	2.14	4.78
Total Debt/Tangible Net Worth	Times	0.86	1.14
PBDIT/Interest	Times	3.00	3.98

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

Not Applicable

Any other information

The recently submitted no default statement by the company does not disclose any delays or defaults, this is in contradiction to the written response received from one of its lender banks.

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Dec 2023	Bank Guarantee (BLR)	Short Term	37.50	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	17.50	ACUITE C Not Applicable (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE D Not Applicable (Downgraded & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE C Not Applicable (Reaffirmed & Issuer not co-operating*)
	Dropline Overdraft	Long Term	8.00	ACUITE D Not Applicable (Reaffirmed & Issuer not co-operating*)
09 Oct 2023	Bank Guarantee (BLR)	Short Term	37.50	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE C Not Applicable (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	17.50	ACUITE C Not Applicable (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE C Not Applicable (Reaffirmed & Issuer not co-operating*)
	Dropline Overdraft	Long Term	8.00	ACUITE D Not Applicable (Reaffirmed & Issuer not co-operating*)
25 Jul 2022	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A4 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	12.50	ACUITE A4 (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	25.00	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE C Not Applicable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE C Not Applicable (Reaffirmed)
	Cash Credit	Long Term	2.50	ACUITE C Not Applicable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE C Not Applicable (Assigned)
	Dropline Overdraft	Long Term	8.00	ACUITE D Not Applicable (Assigned)
30 Apr 2022	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A4 (Downgraded from ACUITE A3)
	Bank Guarantee/Letter of Guarantee	Short Term	25.00	ACUITE A4 (Downgraded from ACUITE A3)
	Cash Credit	Long Term	15.00	ACUITE C Not Applicable (Downgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	10.00	ACUITE C Not Applicable (Downgraded from ACUITE BBB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	37.50	ACUITE A4 Reaffirmed
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE A4 Reaffirmed
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE C Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE D Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	17.50	ACUITE C Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.00	ACUITE D Reaffirmed

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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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