

Press Release
Jay Ambey Construction
March 14, 2024



Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE D Downgraded	-
Bank Loan Ratings	15.00	-	ACUITE D Downgraded
Total Outstanding Quantum (Rs. Cr)	25.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to **Acuite D (read as ACUITE D)** from **ACUITE B+ (read as ACUITE B plus)** and short term rating to '**ACUITE D' (read as ACUITE D)** from '**ACUITE A4' (read as ACUITE A Four)** on Rs.25.00 Cr bank facility of Jay Ambey Construction (JAC).

The downgrade in rating is on account of a delay in servicing debt obligations by JAC as confirmed by its banker.

About Company

M/s. Jay Ambey Construction, a partnership firm, incorporated in May 2021. The Company is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The day-to-day operations of the entity are managed by Mr. Gajeshbhai I. Moradia and Mr. Jayesh I. Hirpada

About the Group

M/s. Jay Adinath Infrastructure, a partnership firm, incorporated in May 2021. The Company is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The day-to-day operations of the entity are managed by Mr. Ketan Arunkumar Shah and Mr. Jaykumar Rasikbhai Savani.

M/s. Shree Ganesh Infrastructure, a partnership firm, incorporated in May 2021. The Company is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The day-to-day operations of the entity are managed by Mr. Savan Savani and Mr. Milan Vaghasia.

M/s. Om Construction - Ahmedabad, a partnership firm, incorporated in May 2021. The Company is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The daytoday operations of the entity are managed by Mr. Savan Savani and Mr. Milan Vaghasia.

Unsupported Rating

Not Applicable

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the business and financial risk profiles of Jay Adinath Infrastructure, Shree Ganesh Infrastructure, Om Construction- Ahmedabad and Jay Ambe Construction considering their common line of business, common management, and significant Financial and operational linkages. The entities are together referred to as Jai Adinath Group.

Key Rating Drivers

Strengths

Track Record and Experienced management in the Infrastructure sector

Jay Adinath Infrastructure and Group was incorporated in May 2021. The Group is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The partners of the group are Mr. Ketan Arunkumar Shah & Mr. Jaykumar Rasikbhai Savani, Mr. Gajeshbhai I. Moradia & Mr. Jayesh I. Hirpada, Mr. Savan Savani & Mr. Milan Vaghasia and Mr. Savan Savani & Mr. Milan Vaghasia who have an experience of nearly 8-10 years in this business.

Acuité believes that the company is expected to continue to benefit from the proprietor's established presence in the industry and its improving business risk profile over the medium

Weaknesses

Instance of delay and irregularities account conduct:

As per the banker feedback group's account conduct is irregular with continuous over withdrawal and delays in debt repayment till recent past.

Rating Sensitivities

Timely servicing of debt obligations

Liquidity Position

Poor

Liquidity position of the company is poor as there are continuous over utilizations in the working capital facilities and delays in servicing of debt obligations

Outlook:

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	61.07	0.00
PAT	Rs. Cr.	3.41	0.00
PAT Margin	(%)	5.58	0.00
Total Debt/Tangible Net Worth	Times	11.32	0.00
PBDIT/Interest	Times	3.27	0.00

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

Not Applicable

Any Other Information

Standalone Figures:

Particulars	Unit	FY2022 (Actual)	FY2021 (Actual)
Operating Income	Rs. Cr	13.10	0.00
PAT	Rs.Cr	0.96	0.00
PAT Margin	%	7.37	0.00
Total Debt/Tangible Net Worth	Times	10.23	0.00
PBDIT/Interest	Times	2.94	0.00

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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
20 Apr 2023	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A4 (Assigned)
	Cash Credit	Long Term	10.00	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
The Mehsana Urban Cooperative Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE D Downgraded (from ACUITE A4)
The Mehsana Urban Cooperative 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 Downgraded (from ACUITE B+)

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

SHREE GANESH INFRASTRUCTURE
 JAY AMBEY CONSTRUCTION
 JAY ADINATH INFRASTRUCTURE
 OM CONSTRUCTION - AHMEDABAD

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Siddharth Shah Analyst-Rating Operations Tel: 022-49294065 siddharth.shah@acuite.in	

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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