



SMERA RATINGS LIMITED

# Jyoti Buildtech Private Limited (JBPL)

## Rating Rationale

**October 08, 2014**

Facilities/Instruments	Amount (Rs. Crore)	Rating
Cash Credit	32.00	SMERA C (downgraded from SMERA BBB-/Stable)
Bank Guarantee*	155.00	SMERA A4 (downgraded from SMERA A3)

*\*Includes letter of credit (LC) as a sublimit to the extent of Rs.25 crore*

SMERA has downgraded the bank loan ratings of Jyoti Buildtech Private Limited (JBPL) to '**SMERA C**' (read as **SMERA C**) and '**SMERA A4**' (read as **SMERA A four**) from '**SMERA BBB-**' and '**SMERA A3**'. The downgrade reflects the continuous over drawings in cash credit (CC) account for the period May-August 2014 and devolvement of letter of credit (LC) in Q1 FY2014-15 due to delayed payment of dues by various customers (government departments) and delays in project clearances by various government departments.

JBPL's working capital cycle remain stretched in FY2012-13 (refers to financial year, April 01 to March 31) as well as FY2013-14 (as per provisional financials) due to delay in receipt of dues from the customers (government departments) for the work completed by the company. Receivables increased by ~42% in FY2012-13 and ~4% in FY2013-14 (as per provisional financials). With stretch in receivable days, payable days also increased to more than 100 days in FY2012-13 and FY2013-14 (as per provisional financials). Moreover, stretched working capital cycle has led to continuous over drawings in CC account for the period May-August 2014 as well as devolvement of LC in Q1 FY2014-15.

### About the company

JBPL was established in 1994 as a proprietorship firm promoted by Mr. Charanjeet Singh. In 1999, the firm was converted to a private limited company. JBPL is engaged in executing various infrastructure projects including installation and commissioning of electrical substations, water treatment plants, sewer treatment plants, canal work and lake development. The company caters to government authorities.

For FY2012-13, the company registered net sales of Rs. 126.86 crore and PAT of Rs. 4.62 crore. For FY2013-14 (as per provisional financials), the company has registered total net sales of Rs.132.32 crore and PAT of Rs 5.20 crore.

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*Rating  
Rationale*

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