



Press Release

Jain Engineering Works

April 04, 2023

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings*	Rating Action	Complexity Indicator
Long Term Bank Facilities	24.23	IVR BB-/Negative; ISSUER NOT COOPERATING* [IVR Double B Minus with Negative Outlook; Issuer Not Cooperating*]	Downgraded and migrated to Issuer not cooperating category	Simple
Proposed Long Term Non- Fund based Bank Facilities - Bank Guarantee	0.77	IVR BB-/Negative; ISSUER NOT COOPERATING [IVR Double B Minus with Negative Outlook; Issuer Not Cooperating*]	Downgraded and migrated to Issuer not cooperating category	Simple
Total	25.00			

**Issuer not cooperating; Based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The aforesaid rating revision to the bank facilities of Jain Engineering Works reflects lack of adequate information available about the performance of the company/entity and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-Cooperation by Issuer:



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Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mails communications dated Feb 28, Mar 9, Mar 10, Mar 17, Mar 21, Mar 23, and Mar 24, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the firm's management has not submitted all the essential details/information for surveillance exercise.

In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the long-term bank loan facilities of Jain Engineering Works, aggregating to Rs 25.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB-/Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with negative outlook; ISSUER NOT COOPERATING*).

**Issuer Not Co-operating; based on best available information*

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria for assigning rating outlook](#)

About the Company

Jain Engineering Works (JEW) was founded by Mr Suni Surana, an experienced and qualified Mechanical professional who has a wide experience of over 30 years in the industry. It was established in 1988 in the city of Indore, Madhya Pradesh. JEW is registered as "Class-A Contractor in Madhya Pradesh & Chattisgarh". It is a manufacturer and service provider of PEB (Pre-Engineered Building) Structure, Dam Gates, Industrial Sheds, Prefabricated Structures, PEB Office Cabins and Heavy Fabrication Services. Jain Engineering Works has three in-house facility of heavy engineering design prefabricated structures.

Financials (Standalone):

For the year ended / As on	31-03-2020	31-03-2021
	(Audited)	(Audited)
Total Operating Income	35.83	46.79
EBITDA	7.13	7.26
PAT	0.82	0.92
Total Debt	7.49	13.92
Tangible Net worth	50.64	50.54
EBIDTA Margin (%)	19.90	15.51



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PAT Margin (%)	2.29	1.96
Overall Gearing Ratio (x)	0.15	0.28

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years			
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (09 Feb,2022)	Date(s) & Rating(s) assigned in 2021-22 (21 Oct,2021)	Date(s) & Rating(s) assigned in 2020-21 (28 Oct,2020)	Date(s) & Rating(s) assigned in 2019-2020 (02 Dec, 2019)
1.	Long Term Non- Fund based Bank Facilities - Bank Guarantee	Long Term	24.33	IVR BB- /Negative; ISSUER NOT COOPERAT ING	IVR BB/Stable	IVR B+; INC*	IVR BB- /Stable; INC*	IVR BB/Stable
2.	Proposed Long Term Non- Fund based Bank Facilities - Bank Guarantee	Long Term	0.77	IVR BB- /Negative; ISSUER NOT COOPERAT ING	IVR BB/ Stable	--	--	--

*Issuer did not cooperate; based on best available information.



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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities	--	--	--	24.23	IVR BB-/Negative ISSUER NOT COOPERATING*
Proposed Long Term Non- Fund based Bank Facilities - Bank Guarantee	--	--	--	0.77	IVR BB-/Negative ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.