



## Press Release

### JMC Paper Tech Private Limited

**August 05, 2025**

#### **Ratings**

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	18.00* (reduced from 21.30)	IVR BB+/ Stable (IVR Double B Plus with Stable outlook)	IVR BB+/ Stable (IVR Double B Plus with Stable outlook)	Rating reaffirmed	<a href="#">Simple</a>
Short Term Facilities	7.00 (reduced from 11.00)	IVR A4+ (IVR A Four Plus)	IVR A4+ (IVR A Four Plus)	Rating reaffirmed	<a href="#">Simple</a>
<b>Total</b>	<b>25.00</b> <b>(INR twenty-five crore only)</b>				

\*(The term loan of Rs. 0.72 crore and GECL of Rs. 0.58 crore from Union Bank of India rated in the previous year has been withdrawn based on the No Due Certificate received from Union Bank of India and at the request of the company, and is in line with Infomerics policy on withdrawal).

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### **Detailed Rationale**

Infomerics has reaffirmed the ratings assigned to the bank facilities of JMC Paper Tech Private Limited (JMCPTPL) considering promoters' extensive experience in the paper and pulp machinery business, adequate capital structure and coverage indicators and a strong order book reflecting near term revenue visibility. However, these rating strengths are partially constrained by the fact that JMCPTPL has moderate scale of operation, elongated working capital cycle, vulnerability of profitability to fluctuations in raw material prices and forex rates and concentration of revenues in paper and pulp industry.

The long-term rating outlook remains Stable on the back of experience promoters and favourable demand of paper and pulp industry.

Infomerics has also withdrawn the outstanding long-term rating of 'BB+/ Stable' assigned to the term loan and GECL of Union bank of India with immediate effect. The withdrawal has been taken on the basis of No Due Certificate from Union Bank of India and at the request of



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the company. The rating is withdrawn in accordance with Infomerics' policy on withdrawal. Link to the withdrawal policy is provided below.

### **Key Rating Sensitivities:**

#### **Upward Factors**

- Significant improvement in scale of operations along with sustenance of profitability margins
- Improvement in working capital cycle

#### **Downward Factors**

- Substantial decline in scale of operations or profitability, leading to deterioration in the financial risk profile; interest coverage
- Any large debt funded capex or stretch in working capital cycle weakening the liquidity profile

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Promoters' extensive experience in the paper and pulp machinery business**

Customers have consistently placed repeat orders with the company because of its well-established market presence and the two decades of experience that its main promoter, Mr. Rajni Patel, has in producing paper and pulp machinery. Additionally, the company's execution capabilities are supported by the in-house R&D team, which is supported by the promoter's technical expertise.

##### **Adequate capital structure and coverage indicators**

Total debt was Rs.25.24 crore as on March 31, 2025, compared with Rs.15.50 crore as on March 31, 2024, due to increase in term loans and working capital borrowings. As on March 31, 2025, adjusted tangible net worth (adjusted for exposure to group companies of Rs. 5.62 crore) was Rs. 30.05 crore, compared with Rs.26.40 crore as on March 31, 2024. As on March 31, 2025, adjusted long-term debt to equity ratio, adjusted gearing ratio and adjusted TOL/TNW was 0.25 times, 0.84 times and 1.95 times in FY25 (prov) (refers to period April 1st, 2024, to March 31, 2025), compared with adjusted long-term debt to equity ratio, adjusted



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gearing ratio and adjusted TOL/TNW of 0.13x, 0.59 times and 2.07 times as on March 31, 2024. The debt protection indicators were adequate with ISCR of 4.14x in FY25 (prov) as compared to 6.83x in FY24 (refers to period April 1st, 2023, to March 31, 2024). The DSCR was 1.75x in FY25 (prov) as compared to 1.99x in FY24.

### **Strong order book reflecting near term revenue visibility**

JMCPTPL order book stood at around Rs. 195.98 crore as on March 31, 2025, which translates into 2.26 times of its FY25 total operating income (i.e., Rs. 86.63 crore) which provides adequate revenue visibility in the near term. Infomerics notes that the company's ability to scale up resources both in terms of machinery and manpower for successful execution of the current healthy order book in due time will remain a key rating factor, going ahead.

### **Key Rating Weaknesses**

#### **Moderate scale of operation**

The company's revenue of Rs. 86.63 crore during FY2025 (prov) indicates that its scale of operations is moderate. Additionally, because fewer domestic orders were placed during FY25 compared to FY24 ), the company's revenue decreased. The business must contend with fierce competition from other suppliers of machinery for the production of paper in both domestic and foreign markets, particularly from Chinese producers. Nonetheless, the risk is somewhat reduced due to JMCPTPL's extensive track record and steady clientele.

#### **Elongated working capital cycle**

Operating cycle was sizeable at 136 days as on March 31, 2025 compared to 101 days as on March 31, 2024, driven by higher inventory days of 163 (PY: 106 days). The working capital requirement is likely to remain large over the medium term and will be a key monitorable.

#### **Vulnerability of profitability to fluctuations in raw material prices and forex rates**

Stainless steel, mild steel plate components, and other materials are the company's primary raw materials. Because the company has long-term fixed-price contracts, any negative movement in the price of raw materials could negatively affect the margins. Additionally, because it is part of the export market, the margin is subject to changes in the value of foreign currencies; however, raw material imports act as a natural hedge to some degree.



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### Concentration of revenues in paper and pulp industry

As the company only produces machinery for the paper and pulp industries, the company's revenues and profitability are vulnerable to any downturn in these sectors.

**Analytical Approach:** Standalone

### Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of Ratings](#)

### Liquidity – Adequate

The Company is expected to have adequate liquidity marked by sufficient inflows to match its long-term debt repayment obligations from FY26-FY28. This coupled with moderate working capital utilization with average utilisation of ~77% during the last 12 months ended June 2025. Current ratio stood comfortable at 1.57 times as on March 31, 2025.

### About the company

JMC Paper Tech Private Limited was first formed in 2002 as JMC Engineers, a partnership organization. In 2012, it underwent a transformation into a private limited company. In addition to producing a full line of machinery for the pulp and paper sector, JMCPTPL offers turnkey solutions. In addition, the company offers a variety of services such as designing, building, and commissioning new machinery in addition to modernizing old gear. The company's production plant is situated in Ahmedabad, Gujarat's GIDC Sanand.

### Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	105.45	86.63
EBITDA	9.67	7.88
PAT	5.40	3.65
Total Debt	15.50	25.24
Adjusted Tangible Net Worth	26.40	30.05



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EBITDA Margin (%)	9.17	9.09
PAT Margin (%)	5.11	4.20
Adjusted Overall Gearing Ratio (x)	0.59	0.84
Interest Coverage (x)	6.83	4.14

\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

**Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (May 24, 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Term Loan	Long Term	2.00	IVR BB+/Stable	IVR BB+/Stable	-	-
2.	GECL	-	-	Withdrawn	IVR BB+/Stable	-	-
3.	Cash Credit	Long Term	16.00	IVR BB+/Stable	IVR BB+/Stable	-	-
4.	Bank Guarantee	Short Term	5.00	IVR A4+	IVR A4+	-	-
5.	Import/Inland LC	Short Term	2.00	IVR A4+	IVR A4+	-	-

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### About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit





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Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Instrument/Facility Details:

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	-	-	-	Withdrawn
Term Loan 2	-	-	-	Oct 2030	2.00	IVR BB+/ Stable
GECL	-	-	-	-	-	Withdrawn
Cash Credit	-	-	-	-	16.00	IVR BB+/ Stable
Bank Guarantee	-	-	-	-	5.00	IVR A4+
Import/ Inland LC	-	-	-	-	2.00	IVR A4+



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**Annexure 2: Facility wise lender details –**

<https://www.infomerics.com/admin/prfiles/len-JMCPaper-aug25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: 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](http://www.infomerics.com).

