



Press Release

Jain Engineering Works

May 14, 2024

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings*	Previous Ratings*	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	24.23	IVR B+/Negative; ISSUER NOT COOPERATING* [IVR Single B Plus with Negative Outlook; Issuer Not Cooperating*]	IVR BB-/Negative; ISSUER NOT COOPERATING* [IVR Double B Minus with Negative Outlook; Issuer Not Cooperating*]	Downgraded and continued in Issuer not cooperating category	Simple
Proposed Long Term Non- Fund based Bank Facilities	0.77	IVR B+/Negative; ISSUER NOT COOPERATING* [IVR Single B Plus with Negative Outlook; Issuer Not Cooperating*]	IVR BB-/Negative; ISSUER NOT COOPERATING* [IVR Double B Minus with Negative Outlook; Issuer Not Cooperating*]	Downgraded and continued in Issuer not cooperating category	Simple
Total	25.00	Rupees twenty-five crores only			

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

Details of Facilities are in Annexure 1

Ratings

The rating has been downgraded and continued under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

Detailed Rationale

The rating has been downgraded on account of lack of adequate information from the company and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



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Despite close follow up through telephone calls and mails dated April 08, 2024, April 15, 2024, April 25, 2024, April 26, 2024, April 30, 2024, May 02, 2024, May 07, 2024, and concurrently over multiple phone calls for submission of required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, IVR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Hence, the rating has been downgraded and continued under Issuer Not Cooperating category. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the Company.

Non-Cooperation by Issuer:

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term rating for the bank loan facilities aggregating to Rs. 25.00 Crore for the bank loan facilities of Jain Engineering Works have been downgraded and continued under 'ISSUER NOT COOPERATING*' category by Infomerics and the rating for the long-term be noted as IVR B+/Negative; ISSUER NOT COOPERATING*; based on best available information.

**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](#)

[Instrument/ Facility wise default recognition & Post- Default Curing Period](#)



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About the Company

Jain Engineering Works (JEW) was founded by Mr Suni Surana. It was established in 1988 in the city of Indore, Madhya Pradesh. JEW is registered as “Class-A Contractor in Madhya Pradesh & Chhattisgarh”. 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.



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Financials (Standalone):

For the year ended*/As on	31-03-2020(Audited)	31-03-2021(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
Ratios		
EBITDA Margin (%)	19.90	15.51
PAT Margin (%)	2.29	1.96
Overall Gearing Ratio(x)	0.15	0.28



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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 2024-2025)			Rating History for the past 3 years			
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022(January 25, 2022)	Date(s) & Rating(s) assigned in 2021-2022(October 21, 2021)
1.	Long Term Bank Facilities	Long Term	24.23	IVR B+/Negative; ISSUER NOT COOPERATING*	IVR BB-/Negative; INC	-	IVR BB/Stable	IVR B+; INC
2.	Proposed Long Term Non-Fund based Bank Facilities	Long Term	0.77	IVR B+/Negative; ISSUER NOT COOPERATING*	IVR BB-/Negative; INC	-	IVR BB/Stable	IVR B+; INC

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

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About Infomerics:

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



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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 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 Facility	-	-	-	24.23	IVR B+/Negative; INC*
Long Term Non-Fund based Bank Facility	-	-	-	0.77	IVR B+/Negative; INC*

** 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
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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.