



## Press Release

### Jain Engineering Works

October 28, 2020

#### Ratings

Instrument / Facility	Amount (INR Crore)	Rating	Rating Action
Long Term Facility – Non Fund Based – Bank Guarantee	15.00	IVR BB-/ Stable; ISSUER NOT COOPERATING* [IVR Double B Minus with Stable outlook; ISSUER NOT COOPERATING]	Revised from IVR BB/Stable [IVR Double B with Stable Outlook] and moved to ISSUER NOT COOPERATING Category
<b>Total</b>	<b>15.00</b>		

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

#### Details of Facility are in Annexure 1

#### Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Jain Engineering Works performance and hence 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

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide emails dated October 14, 2020, October 16, 2020, October 19, 2020 and October 21, 2020 and telephonic follow ups. However, despite repeated requests by Infomerics, the company's management has failed to submit "No Default Statement" and other data for review.



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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has moved the long term ratings for the bank guarantee aggregating to INR 15.00 crore of Jain Engineering Works to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB-/ Stable: Issuer Not Co-operating; based on best available information (IVR Double B Minus/Stable: Issuer Not Co-operating based on best available information).

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.

### **Analytical Approach & Applicable Criteria**

Standalone

Rating Methodology for Construction Companies

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

### **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 in-house facility of heavy engineering design required for building heavy machines and tools required for manufacturing heavy engineering components and machines.

### **Financials (Standalone)**

**(INR Crore)**

<b>For the year ended / As on</b>	<b>31-03-18</b>	<b>31-03-19</b>
	<b>Audited</b>	<b>Provisional</b>
Total Operating Income	20.12	25.65



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EBITDA	5.88	5.78
PAT	0.36	0.51
Total Debt	7.81	4.35
Tangible Net worth	44.47	48.08
EBIDTA Margin (%)	29.24	22.52
PAT Margin (%)	1.79	2.00
Overall Gearing ratio (x)	0.09	0.09

**Status of non-cooperation with previous CRA: N.A**

**Any other information: Nil**

**Rating History for last three years:**

S. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (IINR crore)	Rating	Date(s) & Rating(s) assigned in 2019-20 (December 02, 2019)	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Non- Fund Based Facility	Long Term	15.00	IVR BB-/ Stable; ISSUER NOT COOPERATING	IVR BB/ Stable Outlook	-	-

**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).

**Name and Contact Details of the Rating Analyst:**

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**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, suspend 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.

### Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Non-Fund Based Facilities – BG	--	--	--	15.00	IVR BB-/Stable Outlook ISSUER NOT COOPERATING*

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