

July 19, 2023

## J M Constructions Company: Moved to Non-Cooperating category

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash credit	5.00	5.00	[ICRA]B (Stable) ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Short-term – Non-fund based	0.50	0.50	[ICRA]A4 ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Long-term / Short-term – Non-fund based – BG	9.00	9.00	[ICRA]B (Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
<b>Total</b>	<b>14.50</b>	<b>14.50</b>	

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

^Instrument details are provided in Annexure-I

### Rationale

ICRA has moved the ratings for the bank facilities of J M Constructions Company (JMCC) to the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B(Stable)/[ICRA]A4; ISSUER NOT COOPERATING".

The rating is based on limited cooperation from the entity since the time it was last rated in October 2022. As a part of its process and in accordance with its rating agreement with JMCC, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In absence of requisite cooperation and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Construction entities</a> <a href="#">Policy in respect of non-co-operation by the rated entity</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

### About the company

JMCC is a partnership firm founded in April 2009 by the Late Md. Junaid Ahmed and his family members. The firm is recognised as a Class-1 contractor by the Karnataka PWD in 1989 (under proprietorship) and undertakes civil works, which include construction of buildings, dwelling units, urban water supply works, and sewerage contracts primarily for Karnataka Slum Development Board, Karnataka Urban Water Supply and Drainage Board and Karnataka Housing Board.

## Key financial indicators

JMCC	FY2021	FY2022
Operating income	52.7	34.3
PAT	2.6	1.7
OPBDIT/OI	9.2%	11.9%
PAT/OI	4.9%	5.0%
Total outside liabilities/Tangible net worth (times)	2.5	3.1
Total debt/OPBDIT (times)	4.7	7.2
Interest coverage (times)	2.1	1.7

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: None

## Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021
				Jul 19, 2023	Oct 31, 2022	Aug 26, 2022	Sep 30, 2021	
1 Fund-based – Cash credit	Long-term	5.00	-	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B (Stable)	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable)	-
2 Non-fund based	Short-term	0.50	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	-
3 Non-fund based – BG	Long-term/ Short Term	9.00	-	[ICRA]B(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B (Stable)/ [ICRA]A4	[ICRA]B+ (Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B+ (Stable)/ [ICRA]A4	-

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Cash credit	Simple
Short-term – Non-fund based	Very Simple
Long-term / Short-term – Non-fund based – Bank guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term – Fund-based – Cash credit	-	-	-	5.00	[ICRA]B(Stable); ISSUER NOT COOPERATING
NA	Short-term – Non-fund based	-	-	-	0.50	[ICRA]A4; ISSUER NOT COOPERATING
NA	Long-term / Short-term – Non-fund based – BG	-	-	-	9.00	[ICRA]B(Stable)/[ICRA]A4; ISSUER NOT COOPERATING

Source: Company

#### Annexure II: List of entities considered for consolidated analysis: Not Applicable

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