

March 27, 2020 ^{Revised}

Jmd Limited: [ICRA]D; rating reaffirmed and removed from the 'Issuer Not Cooperating' category

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based TL	55.39	55.39	[ICRA]D; Rating reaffirmed and removed from the 'Issuer Not Cooperating' category
Long Term - Fund Based/ CC	2.00	2.00	[ICRA]D; Rating reaffirmed and removed from the 'Issuer Not Cooperating' category
Short Term - Non Fund Based	9.61	9.61	[ICRA]D; Rating reaffirmed and removed from the 'Issuer Not Cooperating' category
Total	67.0	67.0	

*Instrument details are provided in Annexure-1

Rationale

The ratings take into account the ongoing delays in servicing of debt obligations by Jmd Limited (JMD) due to its stretched liquidity position. The company's cash flows have been adversely impacted by weak sales velocity and collections on account of the slowdown in the real estate market. The ratings are also constrained by the absence of new launches by the company in the past three years and high reliance on customer advances for meeting the remaining project expenses. The rating continues to take into account the risk arising from geographical concentration as all its projects are based in National Capital Region (NCR). These apart, ICRA has taken note of JMD's promoters' extensive experience in the real estate business.

Key rating drivers

Credit challenge

Delays in debt servicing: The company has not been able to service its term loan obligations on time due its stretched liquidity position because of non-receipt of timely payment from clients. The company have been delaying its loan repayments by up to 60 days.

Liquidity position: Poor

JMD's liquidity is **poor** as it has been delaying in servicing of its debt repayment obligations.

Rating sensitivities

Positive triggers – ICRA could upgrade JMD's rating if the firm demonstrates improvement in its liquidity position and consequently becomes regular in its debt servicing.

Negative triggers – Not Applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy on Default Recognition
Parent/Group Support	Not applicable
Consolidation/Standalone	Standalone

About the company

JMD Limited (JMD) is a public limited company engaged in commercial and residential real estate development in Delhi, Gurgaon, Noida, Verna and Ludhiana. JMD was promoted in 1989 by Mr. Sunil Bedi. Its business focuses on residential and commercial developments. JMD's first project was JMD Regent Square, MG Road Gurgaon which was completed in 2001. As on date, the company has completed a total of 11 projects, aggregating to more than 1.7 million square feet of sold/leased area. The Group has also completed its first hotel project, DoubleTree by Hilton, in Gurgaon (Haryana) in FY2012.

Key financial indicators (audited)

	FY2018	FY2019
OI (Rs. crore)	38.4	47.7
PAT (Rs. crore)	8.9	16.0
OPBDIT/OI (%)	37.7%	53.0%
RoCE (%)	10.4%	18.3%
Total Outside Liabilities/Tangible Net Worth (times)	3.6	2.8
Total Debt/OPBDITA (times)	3.1	0.9
Interest Coverage (times)	9.4	10.6
DSCR	0.42	0.89

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years				
		Type	Amount Rated	Amount Outstanding	Current Rating	Earlier Rating	FY2019		FY2018	FY2017
					27-Mar-20	15-Jul-19	24-Dec-18	28-Sep-18	10-Jul-17	5-Jul-16
1	Term Loans	Long Term	55.39	55.39	[ICRA]D; removed from the 'Issuer Not Cooperating' category	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; removed from the 'Issuer Not Cooperating' category	[ICRA]D; Issuer Not Cooperating	[ICRA]D	[ICRA]BB-(Stable); Suspended
2	Fund-based Limits	Long Term	2.00	2.00	[ICRA]D; removed from the 'Issuer Not Cooperating' category	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; removed from the 'Issuer Not Cooperating' category	[ICRA]D; Issuer Not Cooperating	[ICRA]D	[ICRA]BB-(Stable); Suspended
	Non-fund Based Limits	Short Term	9.61	9.61	[ICRA]D; removed from the 'Issuer Not Cooperating' category	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; removed from the 'Issuer Not Cooperating' category	[ICRA]D; Issuer Not Cooperating	[ICRA]D	[ICRA]A4; Suspended

Amount in Rs. crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
	Term Loans	FY2012	14%	FY2021	55.39	[ICRA]D
	Cash credit	NA	NA	NA	2.00	[ICRA]D
	Non-fund Based Limits	NA	NA	NA	9.61	[ICRA]D

Source: Company

Annexure-2: List of entities considered for consolidated analysis: Not applicable

Corrigendum:

Rationale dated March 27, 2020 has been corrected with revision as detailed below:

The heading for the key financial indicators table was missing. The same has been corrected with the key financial indicators heading added on page number 2.

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