



Rating Rationale

Jai Jagdamba Metalloys Ltd

19 June 2017

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of Rs. 14.20 Cr of Jai Jagdamba Metalloys Ltd

Particulars:

Facility	Tenure	Amount	Rating Assigned
Cash Credit	Long Term	14.20	BWR B (Pronounced as Single B) Outlook: Stable
Total		14.20	Rupees Fourteen Crores and Twenty Lakhs only

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY16, projections up to FY18, publicly available information and information/ clarifications provided by the company.

The ratings draw comfort from the experience of the promoters in the business, average gearing profile and average debt protection metrics. The ratings are, however, constrained by sluggish revenues, low profitability margins, stretched liquidity and inherent risk in the industry.

Rating Outlook: Stable

BWR believes the Jai Jagdamba Metalloys Ltd's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case there is a sustained improvement in the revenues and profits of the company. The rating outlook may be revised to 'Negative' if the revenues and profits reduce due to non implementation of the same.

About the Company

Jai Jagdamba Metalloys Ltd was incorporated and established in 2002. The company is engaged in manufacturing and trading of MS INGOT. The manufacturing unit of the company is situated in Unnao, UP and the Registered Office is situated in Kanpur.



Company Financial Performance

The company generated total operating revenue of Rs. 60.58 Crores in FY16 as against Rs 99.51 Crores in FY15. The company generated Profit after Tax of Rs. 0.02 Crores in FY16 as against Rs. 0.03 Crores in FY15. In FY17, on provisional basis, the company has achieved sales of Rs. 60.88 Cr and PAT of Rs. 0.12 Cr.

Rating History for the last three years (including withdrawn/suspended ratings)

Facility	Tenure	Rating Assigned (2017)		Rating History		
		Previous Amount (Rs.Crs)	Rating	2016	2015	2014
Fund Based: Cash Credit	Long Term	14.2	BWR B (Pronounced as Single B) Outlook: Stable	NA	NA	NA
Total		14.2	Rupees Tfourteen Crore Twenty Lakhs only			

Hyperlink/Reference	to	applicable	Criteria
<ul style="list-style-type: none"> General Criteria Approach to Financial Ratios Manufacturing Companies 		<ul style="list-style-type: none"> Trading Entity Short Term Debt 	

For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.



BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.