Rating Rationale

20 November 2026

J.C. Graphics Private Limited

SUMMARY OF RATING ACTION

Facilities**	Amount (Rs. Crs)		Tenure	Rating*		Regulator
	Previous	Present		Previous (28 Nov 2025)	Present	
Fund Based						
Term Loan-Outstanding	3.59	0.00	Long-Term	**BWR B + /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded**	**Withdrawal**	RBI
Working Capital Demand Loan-Outstanding	0.65	0.00				
Covid -19 Emergency Line Credit-Outstanding	1.41	0.00				
Cash Credit-Sanctioned	11.21	0.00				
Cash Credit-Sanctioned	14.60	20.10		**BWR B + /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded**	**BWR BBB - /Stable removal from Issuer Not Cooperating* category / Upgraded**	RBI
Term Loan - Outstanding	-	5.70		-	**BWR BBB-/Stable Assignment**	RBI
Term Loan - Outstanding	-	11.60				
Cash Credit - Sanctioned	-	8.00				
Drop Line Overdraft - Sanctioned	-	8.91				
WCTL (ECLGS 5.0)-Outstanding	-	4.00				
Sub Total (Fund Based)	***31.46***	***58.31***				
Non-Fund Based						
Letter of Credit-Sanctioned	3.79	0.00	Short-Term	**BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed**	**Withdrawal**	RBI
ILG (Bank Guarantee) -Sanctioned	0.50	9.30		**BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed**	**BWR A3 removal from Issuer Not Cooperating* category / Upgraded**	RBI
ILC (Letter of Credit)-Sanctioned (Sublimit of ILG)	2.50	(9.30)				
Letter of Credit (Sublimit of Term Loan)	-	(5.00)		-	**BWR A3 Assignment**	RBI
Sub Total (Non Fund Based)	***6.79***	***9.30***				
Grand Total	**38.25**	**67.61**	**Rupees Sixty-seven crore sixty-one lakh Only**			

1. Please refer to the BWR website www.brickworkratings.com for definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated.

RATING ACTION/OUTLOOK

Brickwork Ratings has removed the ratings from the Issuer Not Cooperating Category and upgraded the long-term and short-term ratings to "BWR BBB-/Stable / BWR A3" for the bank loan facilities of Rs.29.40 Cr and assigned long-term and short-term ratings of "BWR BBB-/Stable / BWR A3" for the bank loan facilities of Rs.38.21 Cr of J.C. Graphics Private Limited. Additionally, Brickwork Ratings has withdrawn the ratings assigned to the bank loan facilities of Rs. 20.65 Cr following their full repayment and closure, as well as at the client's request. In this regard, Brickwork Ratings has obtained the withdrawal request letter from the client and a No Due Certificate from the bankers (Union Bank of India & Punjab National Bank), which are held on record.

Brickwork Ratings removes the ratings from the Issuer Not Cooperating category as the client submitted the required information for reviewing the bank loan facilities of J.C. Graphics Private Limited.

The ratings factored in the company's moderate financial risk profile and prudent capital structure backed by quasi-equity, alongside secured revenue streams supported by long-term partnerships and the strong credit profile of its major revenue drivers. However, the ratings remain constrained by intense market competition, low profit margins, and high customer concentration risk. Moving forward, the company's ability to enhance its revenue profile and strengthen its overall financial risk profile will be key rating sensitivities.

The rating outlook has been assigned as "Stable" as BWR believes that J.C. Graphics Private Limited'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 the revenue and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

KEY COVENANTS OF THE INSTRUMENT/FACILITY

The terms of sanction include standard covenants normally stipulated for such facilities.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Policy On Issuer Non -Cooperation • Approach to Financial Ratios • Short Term Debt • BWR Withdrawal Policy • Manufacturing Companies
Parent/Group/Government Support	Nil
Analytical Approach (Consolidation/Standalone)	For arriving at its ratings, BWR has considered the standalone approach for the company. BWR has applied its rating methodology as detailed in the rating criteria.

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths:

1. Secured Revenue Streams via Long-Term Partnerships & Strong Credit Profile of Major Revenue Drivers:

The company demonstrates robust business sustainability, supported by strong, enduring relationships of 10 to 15 years with key industry leaders such as ITC Limited, VST Industries Limited, and JK Paper Limited. While the company derives approximately 50% of its revenue from three primary clients ITC Limited, VST Industries Limited, and JK Paper Limited, indicating a high level of customer concentration risk, several mitigating factors ensure long-term stability:

- ITC Limited: According to a CRISIL ratings press release dated April 24, 2026, ITC holds active ratings of CRISIL AAA/Stable / CRISIL A1+ for bank loan facilities totaling Rs.5,250 Cr. For FY 2025, the company reported an annual revenue turnover of Rs.75,331 Cr and a net profit of Rs.20,562 Cr.
- VST Industries Limited: Per a CRISIL ratings press release dated May 14, 2026, VST Industries holds an active long-term rating of CRISIL AA/Stable for Rs.15.00 Cr of NCDs and a short-term rating of CRISIL A1+ for bank loan facilities of Rs.85.00 Cr. It recorded a turnover of Rs.1,465 Cr and a net profit of Rs.292 Cr for FY 2026.
- JK Paper Limited: According to a CRISIL ratings press release dated May 14, 2026, JK Paper has active ratings of CRISIL AA/Stable for bank loan facilities amounting to Rs.3,280.5 Cr, accompanied by a revenue turnover of Rs.7,492 Cr and a net profit of Rs.364 Cr for FY 2026.

The Long-standing relationships spanning over a decade with these companies ensure a consistent order pipeline and predictable, long-term revenue growth. And the exceptional credit ratings and substantial financial scale of these counterparties underscore the firm's business sustainability, reflecting a highly secure credit profile for its primary revenue drivers.

2) Prudent Capital Structuring Backed by Quasi-Equity:

The company exhibits a healthy and resilient financial risk profile, backed by an Adjusted Tangible Net Worth (TNW) of Rs. 51.14 Cr in FY2026. This figure incorporates Rs. 24.07 Cr of unsecured loans infused for long-term business funding, which are supported by Punjab National Bank (PNB) sanction terms restricting withdrawal during the currency of the bank loan without prior consent, alongside management confirmation that these funds will remain in the system as quasi-equity. Consequently, the company's leverage metrics improve significantly on an adjusted basis, with the Adj. Total Debt/TNW and Adj. TOL/TNW ratios standing at a conservative 0.49x and 1.20x, respectively, in FY 2026. This disciplined capital structuring provides a strong balance sheet cushion and ample headroom to support future debt-funded growth initiatives without stretching financial flexibility.

Credit Risks:

1) Low Profit Margins: The company operates within a stable B2B business model. Due to the inherent nature of the B2B business model, the company's profit margins have historically remained tight, constrained by fixed pricing structures with the customers. This pressure has been further intensified by substantial cost increases in essential inputs—such as paper, inks, oil, and power tariffs in Andhra Pradesh—driven by persistent inflation and ongoing global conflicts. Additionally, the company currently operates two manufacturing units (12,000 and 15,000 sq. ft.) on a lease basis and one owned unit (40,000 sq. ft.), incurring a rental expense of approximately Rs. 9 to Rs. 10 lakhs per month. Because of these reasons, the company has low profitability margins.

Though profit margins are constrained by fixed pricing structures with customers, long-standing relationships spanning over a decade ensure consistent order pipelines and predictable, long-term revenue growth.

To improve profitability, the company is establishing its own manufacturing facility on company-owned land. The total cost of the project is Rs. 16.00 Cr (Rs. 12.00 Cr financed by ICICI Bank and the remaining Rs. 4.00 Cr from internal cash accruals). Effective January 1, operations will shift to this new facility. This transition will yield significant financial benefits:

- Significant Cost Optimization: Discontinuing the two leased premises will eliminate rental outlays, saving approximately Rs. 1 crore annually.
- New Revenue Streams: Leasing out the vacated main building is projected to generate an incremental rental income of Rs. 15 to Rs. 18 lakhs per month.

By making this move, the company is cutting fixed costs, boosting efficiency, and setting itself up for higher profits and stronger long-term growth.

2) Supply Chain Complexity: The supply chain for sustainable packaging materials is more complex than that of traditional packaging. Many sustainable materials come from renewable, biodegradable, or agricultural sources, which can be affected by seasonal variations, regional availability, and climate-related disruptions. Ensuring a reliable and consistent supply of these materials can be challenging, especially as demand for sustainable packaging increases. Fluctuations in material availability and difficulties in scaling up production could create significant barriers for companies relying on a steady supply of packaging materials.

3)High Raw Material Cost Volatility & Shift Toward Digital Media: Fluctuations in paper, ink, and chemical substrate prices continue to compress margins for commercial printers. Import dependence for specialty substrates adds risk during currency fluctuations. Global pulp shortages cause longer lead times for raw material procurement. The rise of digital advertising and online media platforms continues to challenge traditional printing segments. Volume declines in magazines, newspapers, and office documents are placing structural pressure on publishing-focused printers.

RATING SENSITIVITY FACTORS

Going forward, the ability of the company to improve its revenue and financial risk profile would remain the key rating moniterables.

Positive:

- Improvement in the total operating income, leading to an improvement in net profit margin around 5.50%, with an improvement in the company's net cash accruals, will be positive for the ratings.
- An Improvement in the company's debt protection metrics, with DSCR improving above 1.50x.

Negative:

- A decline of 30% or more in revenue, and with EBITDA margin falling below 10.00% .
- A decline in the company's DSCR ratio below 1.00x.

LIQUIDITY POSITION - Adequate

Adequate liquidity characterised by a sufficient cushion in accruals vis-a-vis repayment obligations and moderate net cash accruals of Rs. 4.82 Crore. Its capex requirements are modular and expected to be funded using debt of Rs. 17.22 Crore, for which it has sufficient headroom. Its bank limits are utilised to the extent of around 94%, and it has sought enhancement in bank lines, supported by the above unity current ratio.

The company has reported net cash accruals of Rs.4.82 Cr, reflecting sufficient headroom against the CPLTD of Rs.1.55 Cr in FY2026. The current ratio of the company improved from 1.78x in FY2025 to 2.01x in FY 2026, reflecting an improved short-term liquidity position of the company. The company demonstrates a healthy and moderate leverage profile in FY 2026, backed by an Adjusted Tangible Net Worth (TNW) of Rs. 51.14 Cr. Conservative capital structuring is evident from the low Adjusted Total Debt/TNW ratio of 0.49x and an Adjusted TOL/TNW ratio of 1.20x, leaving ample headroom for future debt-funded growth without stretching the balance sheet.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

The company demonstrates an adequate ESG profile based on its environmental, social, and governance practices.

Environmental: The company faces environmental risks due to high water usage, waste generation, and reliance on energy-intensive processes. Therefore, it is particularly important to disclose information about water consumption, waste management practices, the share of renewable energy used, and emissions levels.

Social: Social factors are influenced by compliance with labor laws, accident prevention frameworks, and the development of human capital. Metrics such as the workforce composition (percentage of male and female employees), safety performance, and training initiatives provide insights into operational resilience.

Governance: The governance assessment focuses on board independence, the effectiveness of committees, and the strength of

compliance systems. This assessment is supported by readily available disclosures regarding the board structure, audit mechanisms, and risk management practices.

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Products	Packaging

JC Graphics Pvt Ltd, incorporated in 1990, is located in Vijayawada, Andhra Pradesh. It is engaged in commercial printing and packaging services for mosquito coil boxes, cigarette shells, carton boxes, Book Cover Designing sheets, Copier Paper Boxes, Dettol Labels, Disprin Labels, CFC boxes, etc. The company manufactures Mono cartons (U.V. Coated and Met PET laminated), Printing materials (Posters, hanging cards, and Danglers), and Corrugated boxes (micro-fluted & Master cartons) for large business houses.

The company has its manufacturing facility at Vijayawada. Mr. Heman Ratnakar Thyagraj is the founder director of the Company and has around three decades of business experience in the printing and packaging industry. Mr. Christopher Karunakar Thyagraj is the managing director of the Company.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Units	FY 23 - 24 (Audited)	FY 24 - 25 (Audited)	FY 25 - 26 (Audited)
Total Operating Income	Rs. Crs	62.58	77.66	92.11
EBITDA	Rs. Crs	9.60	12.97	13.64
PAT	Rs. Crs	1.08	2.41	2.29
Tangible Net Worth	Rs. Crs.	22.36	24.78	27.07
Total Debt / Tangible Net Worth	Times	2.60	2.39	2.84
Current Ratio	Times	1.68	1.78	2.01

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal & suspension)

Facilities	Current Year (2026)			2025		2024		2023	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating				
Fund Based	LT	20.10 38.21 0.00	BWR BBB - /Stable removal from Issuer Not Cooperating* category / Upgraded BWR BBB-/Stable (Assignment) Withdrawal	28Nov2025	BWR B +/Stable Continues to be in ISSUER NOT COOPERATING* category/ Downgraded	06Dec2024	BWR BB - /Stable Continues to be in ISSUER NOT COOPERATING* category/ Downgraded	05Dec2023	BWR BB /Stable ISSUER NOT COOPERATING * /Downgrade
Non-Fund Based	ST	9.30 (5.00)	BWR A3 removal from Issuer Not Cooperating* category / Upgraded BWR A3	28Nov2025	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	06Dec2024	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	05Dec2023	BWR A4 ISSUER NOT COOPERATING * /Reaffirmation

		0.00	(Assignment) Withdrawal						
Grand Total		**67.61**	**Rupees Sixty-seven crore sixty-one lakh Only**						

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Fund Based	**Simple**
Non-Fund Based	**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 BWR's website **Complexity Levels**.

STATUS OF NON-COOPERATION WITH PREVIOUS CRA IF ANY:

The company has no outstanding ratings with any other CRA's.

ANY OTHER INFORMATION: None

Contacts	
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ANNEXURE I: Details of Bank Loan Facilities

Bank Name	Facility Name	Tenure	Amount to be rated (Rs. Crs)	Complexity of the Instrument
Punjab National Bank	Cash Credit-Sanctioned	Long-Term	20.10	Simple
Punjab National Bank	ILG (Bank Guarantee)-Sanctioned	Short-Term	9.30	Simple
Punjab National Bank	ILC (Letter of Credit) - Sanctioned (Sublimit of ILG)	Short-Term	(9.30)	Simple
Punjab National Bank	WCTL (ECLGS 5.0) - Sanctioned	Long-Term	4.00	Simple
Union Bank of India	Term Loan - Outstanding	Long-Term	5.70	Simple
ICICI Bank	Cash Credit - Sanctioned	Long-Term	8.00	Simple
ICICI Bank	Drop Line Overdraft - Sanctioned	Long-Term	8.91	Simple
ICICI Bank	Term Loan - Outstanding	Long-Term	11.60	Simple
ICICI Bank	Letter of Credit (Sublimit of Term Loan)	Long-Term	(5.00)	Simple
Total (Rupees Sixty-seven crore sixty-one lakh Only)			**67.71**	

ANNEXURE II: Details of Instruments / Facilities

Name of the Instrument/ Facility	Long Term/ Short Term	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ Crore)	Rating Assigned and Rating Outlook	Regulator
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III: List of Entities Consolidated

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the

purview of various FSRs, along with the names of the respective FSRs, is being disclosed below:

A.	Rating activities	
Sr. No.	Instrument/activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs,HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited (BWR) shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

B	Other Activities	Regulator of the Instruments
1	**Monitoring Agencies**	**SEBI**
2	**Research activities incidental to rating, such as research for Economy, Industries and Companies ***	**NA**

Grievance Management: For any grievances relating to the rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com**. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available

For any grievances relating to the rating of instruments regulated by other FSR (Financial Sector Regulators), please contact **grievance@brickworkratings.com**

DISCLOSURE ON CONFLICT OF INTEREST

BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committee or review, discuss or evaluate any credit rating during the Board meetings.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara bank is an institutional investor in Brickwork.

Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

Disclaimer

Nature of Ratings & Information: BWR ratings are opinions on the relative ability of an entity/instrument to meet its financial obligations and are based on information obtained from issuers and other sources believed to be reliable. BWR does not conduct audits, due diligence, or independent verification of such information and does not guarantee its accuracy, adequacy, or completeness.Ratings are current only as of the date of publication and may be revised based on new or unavailable information.

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