

J. Kumar Infraprojects Ltd.

CIN No. L74210MH1999PLC122886

We dream ... So we achieve...

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J. Kuma

ISO 9001:2008
ISO 14001:2004
OHSAS 18001:2007

To,

24th January, 2015

The General Manager
Department of Corporate Services,
Bombay Stock Exchange Limited
P J Towers
Dalal Street
Mumbai - 400 001

The Manager
Listing Department
The National Stock
Exchange of India Limited
Bandra Kurla Complex
Mumbai - 400051

Scrip Code: JKIL/532940

Sir,

Sub: Disclosure of India Ratings on the Fund and Non Fund base limits of the Company

We herewith enclose the ratings of India Ratings and Research Private Limited on the enhanced loans of the Company.

India Ratings has up graded to Long-term Issuer rating to "IND A" from "IND A-" with out look stable.

- a) **"IND A" on INR 2,997m long term loans* (enhanced from INR 2913M).**
- b) **"IND A" rating on INR 4,050 m fund-based limits** affirmed at Long Term (enhanced from INR 3,550m)* and,**
- c) **"IND A1" rating on INR 10,750 m non-fund based limits*** affirmed at Short Term (enhanced from INR 8,250m).**

***includes buyers credit of INR 170m**

****Includes INR500m fungible with the non-fund based limits.**

*****Includes INR200m fungible with the fund-based limits.**

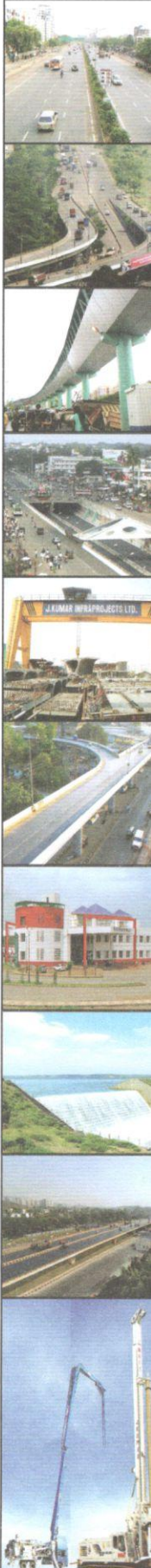
We request to take the above same on records.

Thanking you,

Yours faithfully

For J. Kumar Infraprojects Ltd

Poornima
Poornima Reddy
Company Secretary



Ind-Ra Upgrades J Kumar Infracore to 'IND A'; Outlook Stable

Ind-Ra-Mumbai-21 January 2015: India Ratings & Research (Ind-Ra) has upgraded J Kumar Infracore Ltd's (JKIL) Long-Term Issuer Rating to 'IND A' from 'IND A-'. The Outlook is Stable. A full list of rating actions is at the end of this commentary.

KEY RATING DRIVERS

Improved Business Profile: The upgrade reflects JKIL's strong operating performance in 1HFY15, demonstrating the successful implementation of its diversification strategy through wider geographic presence and higher complexity of projects.

Satisfactory Progress on DMRC Projects: The progress of the company's Delhi Metro Rail Corporation (DMRC) projects reflects its ability to execute complex projects. The two DMRC projects which involve underground tunnelling and the construction of five underground stations have seen increased revenue booking in 1HFY15. The company has completed four tunnels till date and the construction of the metro station is underway. With one of the projects receiving right of way during FY14, execution is likely to progress.

Healthy Credit Metrics: The ratings are supported by the company's healthy credit profile at FYE14, with net interest coverage of 4.38x (FY13: 5.18x) and net leverage of 2.40x (1.0x). The company benefits from INR1.37bn equity infusion through a qualified institutional placement in 2QFY15 which was partially utilised to fund security deposits (around INR800m) for bids with the Municipal Corporation of Greater Mumbai. The agency expects the net leverage to improve to around 2.0x in FY15 with the economic benefits of the DMRC projects flowing in mainly from 2QFY15. Operating performance has been strong with 18.6% yoy revenue growth to INR11.86bn in FY14 and EBITDA margins improving to 17.3% (FY13: 16.7%).

Strong Order Book: The company's order book was INR31.03bn (2.6x of FY14 revenue) at end-September 2014. It also stood as L1 for projects worth INR11.12bn. The order book is skewed towards projects of higher complexity and is spread geographically across Delhi (38%) and Maharashtra (56%), Rajasthan (5%) and Gujarat (1%). The top three customers account for 71% of the order book resulting in customer concentration. This is an improvement compared with the 100% contribution from Maharashtra-based semi-government agencies in 2009.

Promoter's Track Record: The promoters have over 30 years' experience in the construction industry with proven track record of over 75 completed projects and over 40 on-going projects. The company has a strong presence in Maharashtra.

Lengthened Working Capital Cycle: Net working capital cycle stretched to 119 days in FY14 from 73 days in FY13 due to inventory build-up as the billing for DMRC projects is done on a milestone basis. This resulted in negative cash flow from operations of INR723m in FY14 (FY13: INR675m). Liquidity is moderate. While the average working capital utilisation was 95%-98% between November 2013 and November 2014, cash and cash equivalent of INR626m at FYE14 provides cushion. Debt maturity of INR1.2bn (FY15) and INR673m (FY16) are comfortable considering the size of the balance sheet. Ind-Ra expects the company to continue to report a long working capital cycle due to DMRC projects as well as the likely increase in the size of operations in FY15.

KEY RATING SENSITIVITIES

Negative: Net debt/EBITDA being sustained above 2.5x could lead to a negative rating action.

Positive: Continued strengthening of the business profile coupled with sustained healthy credit profile could lead to a positive rating action.

COMPANY PROFILE

JKIL was incorporated in 1980 as a sole proprietorship concern. It was converted into a public company in 2007 and listed on the BSE and NSE in 2008. JKIL is into transportation engineering, civil construction, irrigation projects and piling works. In FY14, it reported net profit (PAT) of INR840m (FY13: INR757m) and gross debt of INR5.57bn (INR2.36bn). In 1HFY15, the company reported revenue of INR6.37bn (1HFY14: INR4.59bn) and PAT of INR432m (INR331m).

JKIL's ratings as follows:

- Long Term Issuer Rating: upgraded to 'IND A' from 'IND A-'; Outlook Stable
- INR2,997m Long-term loans* (increased from INR2,913m): upgraded to 'IND A' from 'IND A-'
- INR4,050m fund-based working capital limits** (increased from INR3,550m): upgraded to 'IND A' from 'IND A-'
- INR10,750m non-fund-based limits*** (increased from INR8,250m): affirmed at 'IND A1'

*Includes buyer's credit of INR1700m

**Includes INR500m fungible with the non-fund-based limits

***Includes INR200m fungible with the fund-based limits

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Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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Applicable criteria, 'Corporate Rating Methodology', dated 12 September 2012, are available at www.indiaratings.co.in.

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India Ratings & Research (India Ratings) has six rating offices located at Mumbai, Delhi, Chennai, Kolkata, Bangalore and Hyderabad. India Ratings is recognised by Reserve Bank of India, Securities Exchange Board of India (SEBI) and National Housing Bank.
