

January 30, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	70.00	SMERA B+/Stable (Assigned)
Bank Guarantee	155.00	SMERA A4 (Assigned)
Proposed Facility	25.00	SMERA B+/Stable/ SMERA A4 (Assigned)

SMERA has assigned a long term rating of '**SMERA B+**' (read as **SMERA B plus**) and a short term rating of '**SMERA A4**' (read as **SMERA A four**) to the Rs.250.00 crore bank facilities of J.M. Mhatre Infra Private Limited (JMM). The outlook is '**Stable**'. The ratings are constrained by the working capital intensive operations inherent with the construction industry and customer and geographical concentration risk. However, the ratings draw comfort from the company's long track record of operations, experienced management, healthy order book and reputed clientele.

Outlook: Stable

SMERA believes that JMM will maintain its stable business risk profile over the medium term on account of the experienced management and healthy order book. The outlook may be revised to 'Positive' if JMM registers sustainable improvement in its working capital cycle and liquidity position. Conversely, the outlook may be revised to 'Negative' if the company's liquidity deteriorates further or if it undertakes any larger than expected debt-funded capital expenditure plan.

Rating Sensitivity Factors

- Sustainability of revenue and profitability
- Efficient working capital management
- Timely execution of projects

About the Company

JMM was established in 1985 by Mr. JM Mhatre and family, as a partnership firm - 'J.M. Mhatre', and converted to private limited in 2010. The company is engaged in the construction of roads, highways, bridges among others in the Konkan and Navi Mumbai areas of Maharashtra.

For FY2014-15, JMM reported profit after tax (PAT) of Rs.16.51 crore on operating income of Rs.372.98 crore, as compared with PAT of Rs.13.79 crore on operating income of Rs.413.40 crore in FY2013-14.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

J.M. Mhatre Infra Private Limited (JMM)**Rating
Rationale****Contact List:**

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