

January 30, 2016

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

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.

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