

Press Release

Jahnvis Multi Foundation

April 26, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs. 8.24 Cr.
Long Term Rating	SMERA D

** Refer Annexure for details*

Rating Rationale

SMERA has assigned long-term rating of '**SMERA D**' (read as **SMERA D**) on the Rs. 8.24 crore bank facilities of Jahnvis Multi Foundation.

Jahnvis Multi Foundation (JMF) established on February 06, 2003 is a trust that runs educational institutions at Dombivli, Thane. These include Jana Gana Mana CBSE School, Vande Mataram Degree College of Arts, Commerce and Science; Jana Gana Mana Vidyamandir, Jana Gana Mana Convent School at Dawasa, Narkhed (Nagpur).

Key Rating Drivers

Strengths

- **Experienced management**

JMF is led by Dr. Rajkumar Marotrao Kolhe who possesses decades of experience in running an education society.

Weaknesses

- **Delays in term loan repayment**

There have been continuous delays in repayment of term loan principal and interest in the last three months due to stretched liquidity.

- **Small scale of operations**

The scale of operations of the trust is small as net sales stood at Rs.2.97 cr in FY2015-16 as compared to Rs.3.22 cr in FY2014-15.

- **Below average financial risk profile**

The financial risk profile is below average marked by low net worth of Rs.5.95 cr as on 31 March, 2016. The gearing (debt to equity) stood at 1.22 times as on 31 March, 2016 compared to 1.51 times as on 31 March, 2015. The average utilisation of cash credit has been around 90 percent in the last six months.

Analytical Approach

SMERA has considered the standalone financial and business risk profiles of the trust.

Outlook:

About the Rated Entity - Key Financials

For FY2015-16, JMF reported profit after tax (PAT) of Rs.0.51 cr on operating income of Rs.2.97 cr as against net loss of Rs.0.24 cr on operating income of Rs.3.22 cr in FY2014-15. The net worth stood at Rs.5.95 cr as on 31 March, 2016 as against Rs.4.66 cr as on 31 March, 2015.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Entities In Services Sector - <https://www.smera.in/criteria-services.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument<https://www.smera.in/criteria-complexity-levels.htm>**Rating History (Upto last three years)**

Not Applicable

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	31-Mar-2019	3.33	SMERA D
Term loans	Not Applicable	Not Applicable	31-Mar-2019	2.77	SMERA D
Overdraft	Not Applicable	Not Applicable	Not Applicable	1.05	SMERA D
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.09	SMERA D

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