



SMERA RATINGS LIMITED

Expovan

Rating
Rationale**February 15, 2016**

Facility	Amount (Rs. Crore)	Rating
Packing Credit in Foreign Currency (PCFC) / Export Packing Credit (EPC)	25.00*	SMERA A4+ (Assigned)

* EBR/FBDN/LC/BG of Rs. 10.00 crore and Cash Credit of Rs. 2.00 crore – sub limit within PCFC/EPC

SMERA has assigned rating of '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.25.00 crore bank facility of Expovan. The rating derives comfort from the extensive industry experience of the promoter and healthy relations with customers and suppliers. The rating also factors in Expovan's healthy revenue visibility supported by confirmed orders in hand. However, the rating is constrained by the working capital intensive business and nascent stage of operations.

Rating Sensitivity Factors

- Sustainable and substantial growth in revenues or operating margins
- Efficient working capital management
- Price trend of key raw materials
- Future capital expenditure plans and its funding mix thereof

About the Company

Established in 2014 as a proprietorship concern, Expovan was converted into a partnership firm in 2015 by partners, Mr. Dr. R.Mahendran and Mrs. N.Kamatchiammal of Coimbatore, Tamil Nadu. The firm is engaged in the manufacture of processed vanilla beans, extract, powder, seeds and other related products and commenced commercial operations from September, 2015.

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