

October 06, 2015

Facilities	Amount (Rs. Crore)	Ratings
<b>Cash Credit</b>	<b>1.00</b>	<b>SMERA BB/Stable (Assigned)</b>
<b>Inland/Import LC</b>	<b>95.00*</b>	<b>SMERA A4+ (Assigned)</b>

\* includes Sublimit of Rs. 25.00 crore for availing Buyers Credit and Sublimit of Rs. 1.00 crore for Cash Credit

SMERA has assigned ratings of '**SMERA BB**' (read as SMERA double B) and '**SMERA A4+**' (read as SMERA A four plus) to the above mentioned bank facilities of Jaylon Impex India Private Limited (JI IPL). The outlook is '**Stable**'. The ratings derive comfort from the company's established track record, experienced management and moderate financial risk profile. However, the ratings are constrained by the thin margins, uneven revenue trends and susceptibility of the profit margins to fluctuations in forex rates.

### Outlook: Stable

SMERA believes that JI IPL will continue to benefit over the medium term from its established presence in the commodity trading industry and experienced management. The outlook may be revised to 'Positive' if the company's scale of operations increases substantially while improving its operating profitability and coverage indicators. Conversely, the outlook may be revised to 'Negative' if the company fails to achieve the scalability amidst intensifying competition in the area of operation or if the financial risk profile deteriorates owing to higher-than-expected increase in debt-funded working capital requirements.

### Rating Sensitivity Factors

- Sustained growth while achieving improvement in margins
- Improvement in capital structure through equity fund infusion
- Working capital management

### About the Company

JI IPL, a Mumbai-based company incorporated in 1992 was promoted by Mr. Jai Kaushik and Mr. Karan Kaushik. The company is engaged in the trading of textiles, chemicals, dry fruits, edible oils among other commodities.

For FY2013-14, JI IPL reported profit after tax (PAT) of Rs.0.25 crore on operating income of Rs.361.85 crore as compared with PAT of Rs.0.84 crore on operating income of Rs.348.26 crore for

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FY2012-13. For FY2014-15, JI IPL reported PAT of Rs.0.76 crore (provisional) on operating income of Rs.352.53 crore.

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