



SMERA RATINGS LIMITED

# Jet Setters Limited (JSL)

## Rating Rationale

**December 16, 2015**

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	7.00	SMERA BB/Stable (Assigned)
Standby Line of Credit	1.00	SMERA A4+ (Assigned)
Fund Based Facility (Proposed)	4.00	SMERA BB/Stable (Assigned)

SMERA has assigned a rating of '**SMERA BB (read as SMERA double B)**' to the Rs.11.00 crore long term bank facility and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.1.00 crore short term facility of Jet Setters Limited (JSL). The outlook is '**Stable**'. The ratings draw comfort from the company's long track record of operations, experienced management and moderate financial profile. The ratings also draw support from the comfortable liquidity position, geographic diversification, reputed clientele and diversified service offering. However, the ratings remain constrained by the thin profit margins, working capital intensive operations and intense competition in the travel and tourism industry.

### Outlook: Stable

SMERA believes that JSL will continue to benefit from its long track record of operations and extensive experience of the management in the travel industry. The outlook may be revised to 'Positive' if the company registers higher than expected improvement in profit margins. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the profit margins or capital structure.

### Rating Sensitivity Factors

- Efficiently scaling up operations while managing working capital
- Improving profit margins

### About the Company

JSL, incorporated in 2003 is a Kolkata-based company promoted by Tarkeshwar Singh and Darshika Shah. The company is engaged in the business of air ticketing services, hospitality, visa processing, among others. JSL is an authorised IATA (International Air Transport Association) agent and is also a member of The Travel Agents Association of India (TAAI) and The Travel Agents Federation of India (TAFI).

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For FY2014–15, JSL reported profit after tax (PAT) of Rs.0.33 crore on operating income of Rs.34.20 crore, as compared with PAT of Rs.0.28 crore on operating income of Rs.30.02 crore in FY2013–14.

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