

April 01, 2016

Facility	Amount (Rs. Crore)	Rating
Packing Credit	10.00	SMERA A4+ (Assigned)

SMERA has assigned a short term rating of '**SMERA A4+**' (**read as SMERA A four plus**) to the Rs.10.00 crore bank facility of S. Jayavel Exim (SJE). The rating draws comfort from the sustained improvement in revenue and comfortable financial risk profile of the firm. The rating further draws comfort from the management's experience in a similar line of business. However, the rating is constrained by low profitability due to low value additive nature of business and agro climatic risks. The rating also factors in the fragmented nature of the agro processing industry.

### Rating Sensitivity Factors

- Sustain improvement in revenue and profitability
- Effective working capital management

### About The Firm

The Chennai-based SJE, a proprietary firm was promoted by Mr. S. Jayavel in 2005. It is engaged in the grading, repacking of agro based products procured from the domestic market. These are subsequently exported to countries including Singapore, Malaysia and Indonesia to name a few.

For FY2014-15, SJE reported profit after tax (PAT) of Rs.1.41 crore, on operating income of Rs.219.18 crore, as compared with PAT of Rs.1.16 crore on operating income of Rs.149.00 crore in the previous year.

### Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Suman M. National Sales Head - Emerging Corporate Group Tel: +91-22-6714 1151 Cell: +91 9892306888 Email: <a href="mailto:suman.m@smera.in">suman.m@smera.in</a>	Vinay Chhawchharia Associate Vice President - Corporate Ratings Tel: +91-22-6714 1156 Email: <a href="mailto:vinay.chhawchharia@smera.in">vinay.chhawchharia@smera.in</a>	Tel: +91-22-6714 1184 Email: <a href="mailto:ratingdesk@smera.in">ratingdesk@smera.in</a>

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