

**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.

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