

Press Release

S A Fruit International

March 01, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs. 15.00 Cr.
Long Term Rating	SMERA B / Outlook: Stable
Short Term Rating	SMERA A4

* Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA B**' (**read as SMERA B**) and short term rating of '**SMERA A4**' (**read as SMERA A four**) on the Rs. 15.00 crore bank facilities of S A Fruit International. The outlook is '**Stable**'.

The Coimbatore-based partnership firm, S. A Fruit International (SAF), is engaged in the trading of fruits. The firm was established in 2015 by Mr. S K Mohammed Saffiullah, Mrs. A. S. Banu and Mr. A. S. Nisar Ahmed. The commercial operations commenced from September 2016.

Key Rating Drivers

Strengths

- **Experienced management**

The promoters, Mr. S K Mohammed Saffiullah have an agricultural background with over three decades of experience in the said line of business. The family business of the promoters constitute trading in fruits.

- **Moderate order book position**

The firm has order book of Rs.20.00 crore providing revenue visibility.

Weaknesses

- **Nascent and small scale of operations**

SAF commenced operations in September 2016. The firm achieved revenue of Rs.20.44 cr from September to December 2016.

- **Agro climatic conditions**

Since the firm trades in fruits, it is exposed to agro climatic risks that can impact revenue.

- **Partnership constitution**

The partnership constitution of the firm exposes it to the risk of capital withdrawal.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of SAF.

Outlook: Stable

SMERA believes that SAF will maintain a stable outlook in the medium term owing to the extensive experience of the promoters. The outlook may be revised to Positive if SAF achieves more than expected revenue while improving its profit margins and capital structure. Conversely, the outlook may be revised to Negative in case of deterioration in its capital structure.

About the Rated Entity - Key Financials

Not Applicable

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Trading Entities - <https://www.smera.in/criteria-trading.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	SMERA B / Stable
Proposed	Not Applicable	Not Applicable	Not Applicable	10.00	SMERA A4

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ABOUT SMERA

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