

April 15, 2015

Facility	Amount (Rs. Crore)	Rating
<b>Post Shipment Finance</b>	<b>10.00</b>	<b>SMERA A4 (Reaffirmed)</b>

SMERA has reaffirmed the short-term rating of '**SMERA A4**' (**read as SMERA A four**) on the Rs.10.00 crore bank facility of S J Corporation Limited (SJCL). The rating remains constrained by SEBI's ongoing investigation against the promoters of SJCL. The rating is also constrained by the company's modest-scale operations. The aforementioned weaknesses are partially offset by the company's experienced management.

### Update

SJCL's promoters are facing an investigation by SEBI for manipulation of stock prices. As per the minutes of SEBI's order, the investigation was supposed to conclude by March 2011; however, the investigation is on hold at present. SMERA believes any unfavourable verdict on the ongoing investigation may lead to severe disciplinary action against SJCL and its promoters.

SJCL has modest-scale operations with revenues of Rs.42.64 crore in FY2013-14 (refers to financial year, April 01 to March 31).

SJCL's promoters have around three decades of experience in the gems and jewellery industry.

### About the company

SJCL, incorporated in 1987, is a Mumbai-based company promoted by Mr. Savji Patel. SJCL is engaged in manufacturing and export of diamond-studded jewellery. The company has a manufacturing unit in Surat (Gujarat), with total installed capacity of 1,00,000 pieces per annum.

For FY2013-14, SJCL reported profit after tax (PAT) of Rs.0.84 crore on net sales of Rs.42.64 crore, as compared with PAT of Rs.0.48 crore on net sales of Rs.15.88 crore in FY2012-13. The company's net worth stood at Rs.9.28 crore as on March 31, 2014, as compared with Rs.8.53 crore a year earlier.

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SMERA RATINGS LIMITED

**S J Corporation Limited  
(SJCL)**

**Rating  
Rationale**

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