

April 15, 2015

Facility	Amount (Rs. Crore)	Rating
Post Shipment Finance	10.00	SMERA A4 (Reaffirmed)

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.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

S J Corporation Limited
(SJCL)

*Rating
Rationale*

Contact List:

Media / Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in	Shripad Nande Manager – Corporate Ratings Tel: +91-22-6714 1329 Email: shripad.nande@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.