

April 30, 2015

Facilities	Amount (Rs. Crore)	Ratings
OCC	4.50*	SMERA B/Stable (Assigned)
Term Loan (proposed)	1.00	SMERA B/Stable (Assigned)
FDBP/FUBD	2.00	SMERA A4 (Assigned)
Letter of Credit	0.75	SMERA A4 (Assigned)

*Includes PCL as a sublimit to the extent of Rs.1.70 crore

SMERA has assigned a long-term rating of '**SMERA B** (read as SMERA single B) and a short-term rating of '**SMERA A4**' (read as SMERA A four) to the Rs.8.25 crore bank facilities of New Man Exports (NME). The outlook is '**Stable**'. The ratings are supported by the firm's long track record of operations, experienced management and comfortable operating profit margin. However, the ratings are constrained by the firm's weak debt protection metrics and small-scale operations. The ratings are also constrained by the firm's exposure to intense competition.

NME, established in 2000, is a Tirupur-based partnership firm engaged in manufacturing and export of garments. NME benefits from its experienced management. Mr. C. Ramasamy and Mr. R. Arun, partners of NME, have around 10 years of experience in the textile industry. NME registered comfortable operating profit margin of 6.50 per cent in FY2013-14 (refers to financial year, April 01 to March 31).

NME's weak debt protection metrics are reflected in high gearing of 2.15 times as on March 31, 2014 and moderate interest coverage of 1.18 times in FY2013-14. The firm has small-scale operations marked by operating income of Rs.13.72 crore in FY2013-14. NME faces intense competition from several players in the textile industry.

Outlook: Stable

SMERA believes NME will maintain a stable business risk profile over the medium term. The firm will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the firm registers sustained improvement in profit margins and working capital management. Conversely, the outlook may be revised to 'Negative' in case of stretch in the firm's working capital cycle, or in case of deterioration in the firm's capital structure.

About the firm

NME, established in 2000, is a Tirupur-based partnership firm promoted by Mr. C. Ramasamy and Mr. R. Arun. NME is engaged in manufacturing of garments. The firm has a manufacturing unit 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.

Tirupur (Tamil Nadu), with installed capacity of 150 stitching machines. NME caters to customers in domestic and international markets.

For FY2013-14, NME reported profit after tax (PAT) of Rs.0.05 crore on operating income of Rs.13.72 crore, as compared with PAT of Rs.0.01 crore on operating income of Rs.9.46 crore in FY2012-13. The firm's net worth stood at Rs.2.81 crore as on March 31, 2014, as compared with Rs.2.31 crore a year earlier.

Contact List:

Media / Business Development	Analytical Contacts	Rating Desk
Virendra Goyal Vice President, SME – Sales Tel: +91-22-6714 1177 Cell: +91 9930074009 Email: virendra.goyal@smera.in Web: www.smera.in	Vinay Chhawchharia Manager – Corporate Ratings Tel: +91-22-6714 1156 Email: vinay.chhawchharia@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.