

August 28, 2015

Facility	Amount (Rs. Crore)	Rating
Letter of Credit	9.00	SMERA A4+ (Withdrawn)
Letter of Credit	9.00	SMERA BB-/Stable (Assigned)

SMERA has assigned long term rating of '**SMERA BB-**' (read as SMERA double B minus) with a '**Stable**' outlook and withdrawn short term ratings of '**SMERA A4+**' (read as SMERA A four plus) to the Rs.9.00 crore non-fund based bank facilities of Excel Prime Commodities Private Limited (EPCPL). SMERA has consolidated the business and financial risk profiles of EPCPL and Vaghani Inc, part of the 'Vaghani Group' in view of the common management and operational and financial synergies within the group.

The rating derives comfort from the company's long track record of operations, experienced management, reputed and established customer base and absence of long term external borrowings. However, the rating is constrained by the company's modest scale of operations, low networth and fluctuations in foreign exchange rates.

EPCPL, incorporated in 1993, is a part of the Mumbai-based Vaghani Group and is engaged in the trading of industrial waxes and chemicals. The company is headed by Mr. Praful Vaghani, Managing Director who has around two decades of experience in the industry.

EPCPL has established relationships with reputed customers such as Hindustan Unilever Limited and Reckitt Benckiser Limited among others. The company has no long term external borrowings as on March 31, 2015.

The company's modest scale of operations is reflected in the low revenue of Rs.28.30 crore (provisional) in FY2015 as compared to Rs.28.25 crore in FY2014. The networth of EPCPL stood at Rs.2.87 crore (provisional) in FY2015 as compared to Rs.2.31 crore a year earlier due to the trading business. EPCPL is exposed to fluctuations in foreign exchange rates.

Rating sensitivity factors

- Ability to scale up its revenue while maintaining profitability
- Foreign exchange fluctuation risk

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.

About the Company

EPCPL, incorporated in 1993, is a Mumbai-based company promoted by the Vaghani family. The company imports industrial waxes and chemicals for the domestic market.

The company reported profit after tax (PAT) of Rs.0.54 crore on operating income of Rs.28.25 crore for FY2013-14, as compared with PAT of Rs.0.50 crore on operating income of Rs.21.18 crore in FY2012-13. The company registered PAT of Rs.0.56 crore (provisional) on operating income of Rs.28.30 crore (provisional) for FY2014-15. The firm's net worth stood at Rs.2.87 crore (provisional) as on March 31, 2015, 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 Email: virendra.goyal@smera.in Web: www.smera.in	Vinay Chhawchharia Associate Vice President – 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.