

February 01, 2016

Facility	Amount (Rs. Crore)	Rating
Cash Credit	14.00	SMERA B/Stable (Assigned)

SMERA has assigned a long term rating of '**SMERA B**' (**read as SMERA B**) to the Rs.14.00 crore bank facility of Milap Tradelink Private Limited (GGIL). The outlook is '**Stable**'. The rating is constrained by the limited track record of operations, low profitability and stretched liquidity position. The rating is also constrained by the weak financial risk profile marked by high gearing and low interest coverage. However, the rating is supported by the experienced management.

Rating Sensitivity Factors

- Ability to scale up operations and profitability
- Efficient working capital management
- Improvement in the capital structure

Outlook – Stable

SMERA believes that MTPL will continue to benefit from its experienced management. The outlook may be revised to 'Positive' if the company scales up operations while improving its profitability and capital structure. Conversely, the outlook may be revised to 'Negative' in case of decline of revenue and deterioration of profit margins or capital structure.

About the Company

MTPL is a Gujarat-based company, established in 2013 under the directorship of Mrs. Leenaben Somaiya and Mr. Milap Somaiya. The company trades in agro commodities such as jaggery, sugar, cumin seeds among others.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Cell: +91 9820808479 Email: antony.jose@smera.in Web: www.smera.in	Pooja Ghosh Associate Vice President – Corporate Ratings Tel: +91-22-6620 1203 Email: pooja.ghosh@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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