

April 22, 2016

Facility	Amount (Rs. Crore)	Rating
Proposed Term Loan	15.00	SMERA B/Stable (Assigned)

SMERA has assigned rating of '**SMERA B**' (**read as SMERA B**) to the Rs.15.00 crore proposed bank facility of Nimex Trading Corporation (NTC). The outlook is '**Stable**'. The rating is constrained by the firm's below average financial risk profile marked by low networth position and trend of withdrawal of capital. The rating is also constrained by future project risk linked to setting up a cold storage and susceptibility of profit margins to foreign exchange fluctuations. However, the rating derives comfort from the experienced management, healthy revenue growth and stable profit margins.

Outlook: Stable

SMERA believes that NTC will continue to benefit over the medium term from its experienced management and healthy revenue growth rate. The outlook may be revised to 'Positive' in case of an improvement in the financial risk profile and effective working capital cycle. Conversely, the outlook may be revised to 'Negative' if the financial risk profile deteriorates further.

Rating Sensitivity Factors

- Scaling up operations while maintaining profit margins
- Efficient working capital management
- Strengthening of financial risk profile

About the Firm

The Mumbai-based NTC was established in 1971 as a proprietorship firm by Mr. Pravez A. Khatri. The firm is an exporter of tobacco, fruits and vegetables, spices, engineering items among others to the Gulf and South East Asian countries.

In FY2014-15, NTC reported Net profit of Rs.3.29 crores on operating income of Rs.85.23 crores as against a Net profit of Rs.2.87 crores on operating income of Rs.78.47 crores in FY 2014.

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.

Contact List

Media/Business Development	Analytical Contact	Rating Desk
Mr. Suman M National Sales Head – Emerging Corporate Group Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: suman.m@smera.in	Mr. Mohit Jain Vice President – Rating Operations Tel: +91-22-6714 1105 Email: mohit.jain@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.