

**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.

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SMERA RATINGS LIMITED

Nimex Trading Corporation (NTC)

Rating
Rationale

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