

September 04, 2015

Facilities	Amount (Rs. Crore)	Rating
Foreign Discount Bill Purchase/Foreign Usance Discount Bill Purchase*	16.25	SMERA A4 (Reaffirmed)
Letter of Credit#	3.00	SMERA A4 (Reaffirmed)
Letter of Guarantee	0.75	SMERA A4 (Reaffirmed)

*includes sub-limit of FDBP/FUDBP (merchant trade) to the extent of Rs.3.00 crore and sub-limit of *Packing Credit/Packing Credit in Foreign Currency* to the extent of Rs.9.00 crore

#fully interchangeable with Buyer's Credit

SMERA has reaffirmed the rating of '**SMERA A4**' (**read as SMERA A four**) on the Rs.20.00 crore bank facilities of Mulji Devshi & Company (MDC). The rating continues to be constrained by the weak financial risk profile marked by high leverage, low net worth, weak coverage indicators and decline in revenue due to fall in oil seed prices. The rating is also constrained by the thin net profit margins due to the trading nature of business and susceptibility of profitability to volatility in commodity prices. However, the rating continues to derive comfort from the established track record of the firm in the agro-commodity industry.

About the Firm

MDC, established in 1915, is a Mumbai-based partnership firm managed by Mr. Kaushal P. Chheda, Mrs. Vasanti P. Chheda and Ms. Girisha N. Vira (third generation entrepreneurs). The firm is engaged in the trading and export of agricultural commodities such as sesame seed, oilseeds, pulses, spices and grains and is a government recognised export house. MDC is also a member of the Indian Oilseeds Produce & Exporters Association (IOPEA), Federation of Indian Export Organisation (FIEO), Bombay Commodity Exchange and Federation of Oils among others.

For FY2013-14, MDC reported profit after tax (PAT) of Rs.0.82 crore on operating income of Rs.83.91 crore, as compared with PAT of Rs.0.88 crore on operating income of Rs.82.75 crore in FY2012-13. For FY2014-15, the firm registered operating income of Rs.66.19 crore (provisional). The firm's net worth stood at Rs.2.04 crore as on March 31, 2015, as compared with Rs.2.72 crore a year earlier.

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