

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.66.19crore (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.

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.



SMERA RATINGS LIMITED

Mulji Devshi & Company (MDC)**Rating
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