



Performance Products and Services (PPS)

February 25, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	5.00	SMERA BB+/Stable (Assigned)
Cash Credit (proposed)	1.00	SMERA BB+/Stable (Assigned)
Bank Guarantee	2.50	SMERA A4+ (Assigned)

SMERA has assigned ratings of '**SMERA BB+**' (read as **SMERA double B plus**) and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.8.50 crore bank facilities of Performance Products and Services (PPS). The outlook is 'Stable'. The ratings draw comfort from the firm's experienced management and healthy financial risk profile. However, the ratings are constrained by the firm's small-scale operations and low net worth.

PPS, established in 2005, is a Chennai-based partnership firm promoted by Mr. Pradeep Kumar. PPS undertakes trading of lubricants, cutting tools, hygiene products and tyres. The firm benefits from its experienced management. Mr. Pradeep Kumar, promoter of PPS, has around two decades of experience in the lubricants industry. PPS's healthy financial risk profile is marked by low gearing of 0.90 times as on March 31, 2014 and strong debt service coverage ratio (DSCR) of 4.52 times in FY2013-14.

The Firm has reported revenue of Rs. 28.54 crores for FY 2014 with a revenue growth at a CAGR of ~2.3 per cent from FY 2012 to 2014. PPS's networth stands at Rs. 3.76 crores as on March 31, 2014 as compared with Rs. 3.42 crores a year earlier.

Outlook: Stable

SMERA believes PPS will maintain a stable business risk profile over the medium term. The firm will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the firm registers healthy growth in revenues and profitability. Conversely, the outlook will be revised to 'Negative' in case of significant decline in firm's revenue and profit margins.

About the firm

PPS, established in 2005, is a Chennai-based partnership firm promoted by Mr. Pradeep Kumar R. PPS undertakes trading of lubricants, cutting tools, hygiene products and tyres. The firm is an authorized dealer for Castrol India Ltd., TaeguTec India Pvt. Ltd., Michelin Tyres and Kimberly Clark Hygiene Products Pvt. Ltd.

For FY2013-14, PPS reported PAT of Rs.1.49 crore on operating income of Rs.28.54 crore, as compared with PAT of Rs.1.89 crore on operating income of Rs.28.09 crores in FY2012-13. PPS's net worth stood at Rs.3.76 crore as on March 31, 2014, as compared with Rs.3.42 crore a year earlier.

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SMERA RATINGS LIMITED

Performance Products and Services (PPS)

*Rating
Rationale*

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