



Southern Cargo Carriers (India) (SCC)

March 16, 2015

Facility	Amount (Rs. Crore)	Rating
Cash Credit	14.00	SMERA BB+/Stable (Assigned)

SMERA has assigned a rating of '**SMERA BB+**' (read as **SMERA double B plus**) to the Rs.14.00 crore bank facility of Southern Cargo Carriers (India) (SCC). The outlook is '**Stable**'. The rating derives comfort from the firm's experienced management. The rating is also supported by the firm's healthy revenue growth and moderate financial risk profile. However, the rating is constrained by the firm's exposure to intense competition in the transportation services industry.

SCC, established in 1991, is a Bangalore-based partnership firm engaged in providing road transportation services. SCC benefits from its experienced management. The partners of the firm have around three decades of experience in the transportation services industry. SCC's revenue has grown at a healthy compound annual growth rate (CAGR) of ~21 per cent over the past five years. The firm's moderate financial risk profile is marked by net worth of Rs.9.46 crore and gearing (debt-to-capital ratio) of 1.22 times as on March 31, 2014.

SCC faces intense competition from several players in the transportation services industry.

Outlook: Stable

SMERA believes SCC 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 while achieving sustained improvement in profitability. The outlook will be revised to 'Negative' in case of significant decline in the firm's revenue and profit margins.

About the firm

SCC, established in 1991, is a Bangalore-based partnership firm promoted by members of the Mittal family. SCC is engaged in providing road transportation services. The firm mainly caters to corporate clients. SCC operates a fleet of ~400 trucks, of which 92 trucks are owned.

For FY2013-14, SCC reported profit after tax (PAT) of Rs.4.85 crore on operating income of Rs.135.55 crore, as compared with PAT of Rs.4.03 crore on operating income of Rs.107.75 crore in FY2012-13. The firm's net worth stood at Rs.9.46 crore as on March 31, 2014, as compared with Rs.6.60 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

Southern Cargo Carriers (India) (SCC)

*Rating
Rationale*

Contact List

Media/Business Development	Analytical Contacts	Rating Desk
Virendra Goyal Vice President – SME Sales Tel: +91-22-6714 1177 Cell: +91 9930074009 Email: virendra.goyal@smera.in Web: www.smera.in	Ashutosh Satsangi Vice President – Operations Tel: +91-22-6714 1107 Email: ashutosh.satsangi@smera.in	Tel: +91-22-6714 1170 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.