

February 10, 2016

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	0.03	SMERA B-/Stable (Assigned)
Cash Credit	15.00	SMERA B-/Stable (Assigned)
Cash Credit (Proposed)	0.34	SMERA B-/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B-**' (**read as SMERA B minus**) to the above mentioned bank facilities of Kurseong Carriers Private Limited (KCPL). The outlook is '**Stable**'. The ratings are constrained by the company's below average financial profile marked by high gearing, low interest coverage and weak debt protection metrics and moderate scale of operation. The rating is also constrained by company's working capital intensive nature of business and intense competition in industry. However, SMERA derives comfort from the company's experienced management, reputed clientele and long track record of operation.

Outlook: Stable

SMERA believes the outlook on KCPL's rated facilities will remain stable over the medium term on account of the company's long track record of operations, experienced management and its moderate order book. The outlook may be revised to 'Positive' if the company registers a sustained growth in revenue while maintaining profit margins. Conversely, the outlook may be revised to 'Negative' if there is a steep decline in the company's profit margins or in case of a significant deterioration in the company's capital structure.

Rating Sensitivity Factors

- Increase in scale of operation and profitability.
- Improvement in capital structure.

About the company

KCPL established in 1972, is a Kolkata based company engaged in providing transportation and complete logistic services all over India. It is also engaged in trading of commodities like tea, salt, rice and supplying to tea gardens in Assam. It has its administrative office is at Kolkata. The overall operation is managed by Director Mr. Sandeep Agarwal.

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For FY2014–15, KCPL reported profit after tax (PAT) of Rs. (0.48) crore on total operating income of Rs.19.32, as compared with (PAT) of Rs. 0.96 crore on total operating income of Rs.291.87 crore in FY2013–14.

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