

March 04, 2016

| Facilities | Amount (Rs. Crore) | Ratings |
|----------------|-----------------------|----------------------------|
| Cash Credit | 10.00 | SMERA B+/Stable (Assigned) |
| Bank guarantee | 9.00 | SMERA A4 (Assigned) |

SMERA has assigned long-term rating of '**SMERA B+**' (read as **SMERA B plus**) and short-term rating of '**SMERA A4**' (read as **SMERA A four**) to the above mentioned bank facilities of Nair Coal Services Private Limited (NCSPL). The outlook is '**Stable**'. The ratings are supported by the company's long track record of operations, experienced management and established relations with reputed customers. However, the ratings are constrained by the moderate scale of operations, average financial risk profile, customer concentration risk and working capital intensive nature of business.

Outlook: Stable

SMERA believes that NCSPL will continue to benefit over the medium term from its experienced management. The outlook may be revised to 'Positive' in case the company registers improvement in scale of operations while maintaining healthy profit margins. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the financial risk profile.

Rating Sensitivity Factors

- Customer diversification
- Effective working capital management
- Improvement in financial risk profile

About the Company

NCSPL, incorporated in 1984, is a Nagpur-based company promoted by Mr. Susheel Nair, Director. The company is engaged in the liasioning and supervising of logistics of coal. NCSPL operates through its nine branch offices across India.

For FY2014-15, NCSPL reported net profit of Rs.1.38 crore on operating income of Rs.42.18 crore, as compared with net profit of Rs.5.97 crore on operating income of Rs.32.28 crore in FY2013-14. The company's net worth stood at Rs.37.49 crore as on March 31, 2015 as compared with Rs.36.00 crore a year earlier.

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SMERA RATINGS LIMITED

Nair Coal Services Private Limited (NCSPL)

*Rating
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