

Goodwill Trans & Logistics Company: Assigned

Facilities	Amount (Rs Crore)	Rating/Outlook
Cash Credit	8.25	SMERA B+/Stable (Assigned)
Term Loan	5.75	SMERA B+/Stable (Assigned)

SMERA has assigned rating of '**SMERA B+**' (read as **SMERA B plus**) to the above mentioned bank facilities of Goodwill Trans & Logistics Company (GTLC). The outlook is '**Stable**'. The rating is constrained by customer concentration risk, high gearing and working capital intensive operations. However, the rating draws support from the experienced management.

GTLC, a Pune-based firm, established in 2000 provides logistics services to the automobile industry. The firm's revenue stands at around Rs.58.90 crore in FY2016 (provisional). However, around ~70 per cent of the revenue is earned from a single customer i.e. Mahindra & Mahindra Limited, thus exposing itself to customer concentration risk. GTLC has high gearing of around 3.92 times as on March 31, 2016 (provisional). Further, the operations are working capital intensive reflected in the gross current assets (GCA) of ~198 days in FY2016 (provisional).

However, the rating benefits from its experienced management. Mr. Sanjay Deshmukh, Promoter has an experience of around two decades in the logistics industry.

Rating Sensitivity Factors

- Customer diversification
- Improvement in the capital structure
- Efficient working capital management

Outlook-Stable

SMERA believes that GTLC will maintain a stable outlook and continue to benefit over the medium term from its experienced management. The outlook may be revised to 'Positive' if the firm registers significant increase in revenue and profitability with improvement in the capital structure. Conversely, the outlook may be revised to 'Negative' in case of decline in revenue and profitability or stretch in the working capital cycle weakening the financial risk profile, particularly liquidity.

About the Firm

GTLC was established in 2000, as a proprietorship concern by Mr. Sanjay Deshmukh. The firm provides transportation services to the automobile industry and has branches in Pune (Maharashtra), Nashik (Maharashtra), Faridabad (Haryana), Rudrapur and Haridwar (Uttarakhand).

For FY2015-16, GTLC reported net profit of Rs.1.72 crore (Provisional) on operating income of Rs.58.90 crore, as compared with net profit of Rs.1.55 crore on operating income of Rs.53.72 crore in FY2014-15.

Contacts:

Analytical	Business Development
Mr. Mohit Jain Vice President – Ratings Operations, Tel: +91-22-6714 1105 Cell: 9619911017 Email: mohit.jain@smera.in	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: suman.m@smera.in

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.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.