

June 22, 2010

**CARE ASSIGNS 'CARE BB+' AND 'PR4' RATINGS TO THE BANK FACILITIES OF NSIL EXPORTS LTD.**

CARE has assigned the '**CARE BB+**' (**Double B Plus**) rating to the long-term bank loans / facilities and '**PR 4**' (**PR Four**) rating to the short-term bank loans / facilities of NSIL Exports Limited (NEL).

Facilities with 'Double B' rating are considered to offer inadequate safety for timely servicing of debt obligations and carry high credit risk. This rating is applicable for facilities having tenure of more than one year. Facilities with 'PR 4' rating would have inadequate capacity for timely payment of short-term debt obligations and carry very high credit risk. Such facilities are susceptible to default. This rating is applicable for facilities having tenure up to one year.

*CARE assigns '+' or '-' signs to be shown after the assigned rating (wherever necessary) to indicate the relative position within the band covered by the rating symbol.*

<b>Facilities</b>	<b>Amount (Rs. crore)</b>	<b>Rating</b>
Sanctioned Fund based working capital limits	30.00	CARE BB+
Sanctioned non fund based working capital limits	64.65	PR4

**Rating Rationale**

The ratings are constrained by low profit margins & inherent risk associated with the trading activity, presence of group companies in the similar line of business, customer concentration risk and working capital intensive operations. Nevertheless, ratings continue to consider long standing track record of Ruchi group in the trading activity and flexibility in the product mix.

Managing working capital and inherent risk associated with trading activity are key rating sensitivities.

**Company profile:** NEL belongs to Ruchi Group and engaged in the trading of steel and agro products.

During FY09, NEL reported operating income of Rs.255.77 crore and PAT of Rs.3.83 crore against operating income of Rs.308.73 crore and PAT of Rs.5.07 crore.

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***CARE classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.***

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