

June 7, 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.

Facilities	Amount (Rs. crore)	Rating
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.

**Analyst Contact**

Name: Yogesh Shah

Tel # 079-40265603

Mobile # +91 94288 13912

Email: yogesh.shah@careratings.com

**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.**

## Disclaimer

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CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

**HEAD OFFICE: MUMBAI**

**Mr. D.R. Dogra**

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

**Mr. Rajesh Mokashi**

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

**Mr. Ankur Sachdeva**

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,  
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

**Website: www.careratings.com**

**OFFICES**

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, <b>Ahmedabad - 380 015.</b> Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's PlaceNo. 6, Raja Ram Mohan Roy Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar<b>Hyderabad - 500 029</b> Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>