

September 27, 2010

**CARE ASSIGNS 'CARE BBB- (SO)/ PR3 (SO)' RATING TO THE BANK FACILITIES OF
OSS AIR MANAGEMENT SERVICES PVT LTD.****Ratings Assigned**

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Term Loan *	13.39	CARE BBB- (SO)	Assigned
Non-fund Based Limits *	0.05	CARE BBB-(SO)/ PR3 (SO)	Assigned
Total	13.44		

*backed by unconditional and irrevocable guarantee from J V Gokal & Co. Ltd (JVGCL)

Rating Rationale

The ratings for the above facilities are based on credit enhancement in the form of an unconditional and irrevocable corporate guarantee provided by JVGCL (Rated CARE BBB-/PR3 for long/short-term bank facilities).

JVGPL's ratings derive strength from its experienced promoters and management, efficient operations and long-term relationships with major tea labels. The ratings are constrained by the small size of operations of JVGPL focused on a single agri-based commodity, lack of backward integration, absence of own brand, dip in revenue and profitability in the last two years, relatively high gearing ratios and low interest coverage, modest liquidity position, significant exposure to the loss-making subsidiary and foreign exchange risk arising from export-oriented nature of the business.

Company Profile

OSS, incorporated in 2005, has been promoted by JVGPL, the flagship company of the Gokal Group of Companies. The Group has its presence in the field of export of tea to Russia and other Commonwealth of Independent States (CIS) countries. OSS is an authorised distributor and after-sales service provider in India for sales and maintenance of helicopters made by Agusta Westland (Agusta), Italy. The company is engaged in chartering, maintenance & service, supply of spares and tools exclusively for Agusta helicopters.

OSS owns three Agusta helicopters and has one helicopter on lease. The company has approved bases at Mumbai, Delhi, Hyderabad, Bangalore, Pune, Lucknow and Jaipur for conduct of its operations.

¹Complete definitions of the ratings assigned are available at www.careratings.com and other CARE publications.

About the Guarantor (JVGPL)

JVGPL is engaged mainly in blending, bagging, packaging and exports of tea. JVGPL's business is export oriented with over 90% revenue from exports. JVGPL's domestic operations include tea processing and bagging for major Indian tea brands like Tata Tea, Hindustan Unilever Ltd and Nestle Ltd for many years.

On a total income of Rs.134 cr JVGPL had registered PAT of Rs.1 cr.

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

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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