
September 15, 2010

CARE ASSIGNS 'CARE BB+' AND 'PR4+' RATINGS TO BANK FACILITIES OF PROCTOR MARKETING PVT LTD.

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	10.00	'CARE BB+' (Double B Plus)	Assigned
Short-term Bank Facilities	10.00	'PR4+' (PR Four Plus)	Assigned
Total Facilities	20.00		

Rating Rationale:

The ratings are constrained by PMPL's relatively small size of operations, low profitability margins, moderate operating cash flows, relatively high gearing ratios, concentration of sales in and around Mumbai and high dependence on Essar Steel Ltd (ESL) for sourcing steel.

The ratings factor in experience of the promoters of PMPL in steel trading and distribution business, protection available on the inventory held from ESL against price volatility and financial support from group companies through unsecured loans.

PMPL's ability to achieve the envisaged sales and profitability are the key rating sensitivities.

Company Profile

Established in 1994, as non banking finance corporation (NBFC), PMPL commenced its steel trading activities in the year 2006. PMPL is engaged in trading of steel and iron products like hot rolled coils/plates sheets. PMPL sources these products from various manufacturers including Essar Steel Limited (ESL). The company was appointed as the consignment agent of ESL for Maharashtra region in July 2007. However, since ESL changed the marketing and distribution strategy and opened steel retailing stores (Hypermarts) at major steel-consuming centres to help consumers meet their requirements, the consignment agency ended in September 2008. During FY10 PMPL got the Expressmart dealership of ESL in Mumbai and presently operates one store under the same.

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

PMPL registered profit after tax of Rs.0.06 crore on total operating income of Rs.208.10 crore in FY09.

Analyst Contact

Name: Puneet Bhatia

Tel # 6754 3453

Mobile # 9820466876

Email: puneet.bhatia@careratings.com

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.

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

4th 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, Ahmedabad - 380 015. 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 Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. 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, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail :swati.agrawal@careratings.com</p>