



September 17, 2010

ICRA assigns LBBB and A3+ ratings to bank facilities of MFC Transport Private Limited

ICRA has assigned A3+ (pronounced A three plus) rating to Rs. 10.00 Crore¹ short term non fund based facilities of MFC Transport Pvt. Ltd. (MTPL)[†]. ICRA has also assigned LBBB (pronounced L triple B) rating to Rs. 19.96 Crore long term fund based facilities of MTPL. The outlook assigned to the long term rating is 'Stable'. The limits amounting to Rs. 4.96 are rated on both the scales though the total utilization should not exceed Rs. 25 Crore at any point of usage.

The ratings take into account MTPL's favourable financial performance characterized by sustained growth in revenues, sound profitability margins and favourable return and coverage indicators, its established track record in oversized project cargo transportation industry, and diversified client profile. The rating factors in MTPL's moderate scale of operations which exposes it to the inherent cyclicality in business, competitive pressures in the road transportation industry and high working capital intensity which has led to a leveraged capital structure.

About the Company

Incorporated in 2001, MFC Transport Pvt. Ltd. (MTPL) is engaged in the business of road transportation and freight forwarding. MTPL has its registered office in Mumbai and 27 branches all over the India.

MTPL operates in two business segments – Transportation Activities and Freight & Forwarding Operation.

MTPL's service range primarily encompasses transporting odd dimensional cargo (ODC), heavy plants and vessels, and project transportation activities. MTPL participates in handling movement and transportation of heavy and oversized project cargo to meet the needs of large international business groups. MTPL also provides freight and forwarding and logistics solutions through air and sea routes since the last 2 years.

Recent results:

MTPL recorded a net profit of Rs. 5.56 Crore on an operating income of Rs. 123.01 Crore for the year ended on 31st March 2010 as per provisional figures and net profit of Rs. 2.83 Crore on an operating income of Rs. 88.68 Crore for the year ended 31st March 2009.

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ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

¹ 100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

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