

Rating Rationale

Brickwork Ratings has assigned BWR B+ (Outlook: Stable) Rating for Long Term Bank Loan Facilities and BWR A4 Rating for Short Term Bank Loan Facilities amounting to ₹ 6.45 Cr of Agarwal Carriers Corporation of India.

Brickwork Ratings has assigned the following **Ratings¹** for Bank Credit facilities sanctioned/availed amounting to Rs.6.45 Crores by **Agarwal Carriers Corporation of India** (or the 'Firm') :-

Facility	Limits (₹ Cr)	Tenure	Rating
Fund based (FB): ODBD	2.00	Long Term	BWR B+ <i>(Pronounced as BWR B Plus)</i> Outlook-Stable
CDB	0.10	Short Term	BWR A4 <i>(Pronounced BWR A Four)</i>
Total Fund Based (FB)	2.10		
Non-Fund Based (NFB): Bank Guarantee	4.35	Short Term	BWR A4 <i>(Pronounced BWR A Four)</i>
Total Non-Fund Based (NFB)	4.35		
Total (FB + NFB)	6.45 (INR Six Crores and Forty Five Lakhs only)		

BWR has essentially relied on audited financials of Agarwal Carriers Corporation of India up to FY15, projected financials for FY16, FY17, publicly available information and information/clarifications provided by the firm.

The rating reflects long and established track record of the promoter in the business with long standing relationship with its customer base

However, the rating is constrained by moderate scale of operations, intense competition from local and organized players, working capital intensive nature of business, moderately leveraged capital structure and profitability susceptible to volatility in fuel prices

Background:

Agarwal Carriers Corporation of India (ACCI) was established in 1980 as proprietorship firm by Mr. Raj Kumar Agarwal engaged in providing transportation and logistics services with head office based in Mumbai

The firm provides transportation of heavy, over dimensional consignment, break bulk cargo, containerized and project cargo mainly to chemical, fertilizer, atomic energy, cement, printing press, steel and power industry (core sector), further ACCI also provide door to door and general transportation of goods to other industries

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Management Profile:

Mr. Raj Kumar Agarwal, Proprietor has relevant experience since 1980

Financial Performance:

In FY15, the firm's operating income stood at 34.43 cr. OPBDIT and PAT margin of the firm stood at 24.72% and 6.70% respectively

Rating Outlook:

The outlook is stable. Going forward, the firm's ability to increase its scale of operations while maintaining favorable capital structure with efficient working capital management and further increasing and sustain its profitability would be key rating sensitivities for the firm.

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