

Rating Rationale

Brickwork Ratings Reaffirms 'BWR BBB' & 'BWR A3' Ratings for Bank Loan Facilities aggregating ₹145 Cr of Anand Transport Private Limited

Brickwork Ratings (BWR) has *reaffirmed* following **Ratings**¹ for Bank Loan facilities of Anand Transport Private Limited (**ATPL or the 'Company'**):

Facility	Amounts in ₹ Cr		Tenure	Present Rating	Rating History (June 2014)
	Previous Limits	Present Limits			
Fund Based Cash Credit	85.00	65.00	Long Term	Reaffirmed at BWR BBB (BWR Triple B) Outlook: Stable	BWR BBB (BWR Triple B) Outlook: Stable
Non Fund Based Bank Guarantee	60.00	80.00	Short Term	Reaffirmed at BWR A3 (BWR A Three)	BWR A3 (BWR A Three)
Total	145.00	145.00	INR One Hundred Forty Five Crores only		

BWR has relied upon the audited financial results of ATPL up to FY14, provisional financial statements up to FY15 and projected financial statements up to FY17, publicly available information, information/clarifications provided by the Company.

The reaffirmation of ratings has factored the competence of the Company in coal logistics, its presence in major ports across the eastern coast consistent renewal of contracts with existing clients and stable profitability over the last three years. However, the ratings remain constrained by client concentration, working capital intensive nature of the business and trade restrictions imposed by the port/government agencies from time to time.

Background:

Established in 1987 as a partnership firm and later reconstituted as Anand Transport Private Limited (ATPL) in the year 2010, the company is a part of the MGM Group. ATPL is engaged in the business of stevedoring, ship chartering and transportation at major ports across the eastern ports of India.

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

More than 80% of the revenues are from Global Coal & Mining Private Limited with whom the company has contracts to ship washed coal from Talcher, Orissa to thermal power plants based in Mudannur and Nellore. The directors of the company are Mr MGM Maran, Mr MGM Anand and Mr VR Arunachalam

Financial Performance:

As per audited financial statements for FY14, ATPL reported Total Operating Income of Rs.225.91 Cr, Operating Profit before Depreciation, Interest & Tax (OPBDIT) of Rs.25.89 Cr and Profit after Tax (PAT) of Rs.11.34 Cr as against Total Operating Income of Rs.207.88 Cr, OPBDIT of Rs.21.49 Cr and PAT of Rs.10.40 Cr in FY13

As per provisional financial statements for FY15, ATPL reported Total Operating Income of Rs.249.49 Cr, OPBDIT of Rs.26.82 Cr and PAT of Rs.12.31 Cr. Tangible Net worth as on 31st March 2015 was Rs.96.14 Cr.

Rating Outlook:

The outlook for the Company is expected to be stable over the next twelve months. Going forward, ability of the company to achieve projected revenue, diversify its client base and manage its working capital will be the key rating sensitivities.

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