

Rating Rationale

Brickwork Ratings on a review upgrades ratings to “BWR BBB+/A3+” for Bank Loan facilities aggregating to ₹ 145.00 Cr of Anand Transport Private Limited

Brickwork Ratings on a review upgrades **Rating**¹ to “BWR BBB+/A3+” for Bank Loan facilities aggregating to ₹ 145.00 Crores of M/s Anand Transport Private Limited. (*ATPL or The Company*)

Facility	Previous Limits (₹ Cr)	Present Limit (₹ Cr)	Tenure	Previous Rating (August 2015)	Present Rating
Fund Based	65.00	70.00	Long Term	BWR BBB (BWR Triple B) (Outlook: Stable)	Upgraded to BWR BBB+ (BWR Triple B Plus) (Outlook: Stable)
Non Fund Based	80.00	75.00	Short Term	BWR A3 (BWR A Three)	Upgraded to BWR A3+ (BWR A Three Plus)
Total	145.00	145.00	INR One Forty Five Crores Only		

Details of Bank facilities in Annexure I

BWR has principally relied upon the audited financial results up to FY16, projected financials up to FY18, publicly available information and information/clarifications provided by the Company’s management.

Upgradation in ratings is mainly on account of improvement in scale of operations by ~40.03% in FY16, continued low gearing and adequate liquidity position. The ratings also continue to derive strength from the promoters’ experience in the line of business, absence of external long term borrowings, and long track record of the Company. However, the ratings are constrained by fluctuating profitability margins, intense working capital requirements and stiff competition in the market.

Background:

Established in 1987 as a partnership firm and later reconstituted as Anand Transport Private Limited in 2010, and company is a part of MGM group. Company is mainly engaged in business of stevedoring, ship chartering and transportation at major ports across the eastern coast of India.

Financial Performance:

As per FY16 audited financials, Company scale of operations has grown by ~40.03%. Increase in scale of operations mainly on account of increase in quantity handled by ~37.96%. In FY16,

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

company had reported OPM and NPM at 8.83% & 3.58% respectively. Gearing level reported at ~0.69X indicating low gearing profile. Tangible net worth of the company stood at ₹ 108.95 Crores as on March 31, 2016. Current ratio reported at ~1.50X as on FY16.

Rating Outlook:

The outlook of the company for the next one year is expected to be stable. Going forward, ability of the company to improve profitability margins, diversify its clientele by adding new clients to its portfolio and manage its working capital requirements will remain key rating sensitivities.

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Anand Transport Pvt Ltd
Annexure-I

Name of the Bank	Facility	Tenure	Previous Limits Rs. Crs	Present Limits Rs.Crs
Axis Bank	Cash Credit	Long Term	25.00	25.00
	Bank Guarantee	Short Term	20.00	20.00
	Sub Total-A		45.00	45.00
State Bank of Hyderabad	Cash Credit	Long Term	40.00	45.00
	Bank Guarantee	Short Term	60.00	55.00
	Sub Total-B		100.00	100.00
	Total (A+B)		145.00	145.00