

## Rating Rationale

### Brickwork Ratings assigns 'BWR B+' & 'BWR A4' to the Bank Loan Facilities of Anup Trade & Transport Private Limited.

Brickwork Ratings (BWR) has assigned the following **Ratings**<sup>1</sup> for the Bank Loan Facilities amounting to ₹ 25.00 Cr sanctioned by Union Bank of India to Anup Trade & Transport Private Limited ("*ATTPL*" or "*the Company*"):

Facility	Limits ( ₹ Cr)	Tenure	Rating
<b>Fund Based:</b> Secured Overdraft (SOD)	3.00	Long Term	<b>BWR B+</b> (Pronounced BWR B Plus) <b>Outlook : Stable</b>
<b>Non Fund Based:</b> Bank Guaranttee	22.00	Short Term	<b>BWR A4</b> (Pronounced BWR A Four)
<b>Total</b>	<b>25.00</b>	<b>(INR Twenty Five Crores only)</b>	

BWR has essentially relied upon the Company's audited financial results upto FY14 ,projections for FY15 and FY16, publicly available information and the information/clarifications provided by the Company.

The rating has factored the experience of the management, operations of the company through out the North Eastern region of the country, and established client base resulting in consistent cash accruals. The rating is however, constrained by the modest scale of operations, working capital intensive nature of operations and increasing competition in the industry.

#### Background:

Anup Trade & Transport Private Limited was incorporated on 20.11.97 at Guwahati, Assam.It was established as a Transport Company. It is primarily engaged in transport of Rice and other Food grains from railway sidings at various railway stations pertaining to Food Corporation of India (FCI) to FCI's godowns & distribution units. The Company's 90% sales is from orders procured through tenders raised by Food Corporation of India for the movement of Rice, Other food grains and Fertilizers etc. The Company has been able to establish a network of offices in the region during its 17 years of operations to facilitate operations. The Company owns a fleet of 10-12 heavy- load trucks and hires to an approximate number of 100 trucks per order (- based on the order requirements).

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

### Management:

The Directors of the company are Mr. Anup Jasrasaria, Mrs. Pushpa Jasrasaria and Mr. Sumit Kumar Yadav. The Directors and the second tier management are family members and friends. The shares of ATTPL are almost fully held by Mr. Anup Jasrasaria and his family members.

### Business Environment:

Road transport is the most prominent means in the North-East India, mainly due to the hilly terrain and lack of a fully developed railway system. The long rainy season, repeated floods and land slips and the resultant faster wearing of the roads pose many challenges to the transport & logistics industry.

### Financial Performance:

Net Revenue from Operations of the company has been fluctuating, and has declined in the last two financial years. It has come down from Rs. 26.48 Crores in FY 13 to Rs. 14.75 Crores in FY 14. Profit after tax has reduced from Rs. 0.69 Crores in FY 13 to Rs. 0.39 Crores in FY 14. ATTPL's Networth stood at Rs. 4.61 Crores and the Debt Equity Ratio was at 0.59 times in FY14. The Company however put in a better performance this year, and has reportedly achieved net sales of Rs. 25.66 Crs till Sept' 14. It hopes to continue at the same rate in the second half of the year also.

### Rating Outlook:

The outlook is expected to be stable for the current year. Going forward, the ability of the Company to significantly increase its revenues and improve its capital structure, while maintaining a healthy growth in its profit margins and net cash accruals will be the key rating sensitivities.

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