



Rating Rationale

Anup Trade & Transport Pvt Ltd

8-Jan-2018

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹. 28.00 Crores of Anup Trade & Transport Pvt Ltd ('ATTPL' or the 'Company')

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating [^]	
	Previous	Present		Previous	Present
Fund Based Secured Overdraft	6.00	6.00	Long Term	BWR BB Outlook: Stable	BWR BB- (BWR Double B Minus) Outlook: Stable (Downgraded)
Non Fund Based Bank Guarantee	25.00	22.00	Short Term	BWR A4+	BWR A4 (BWR A Four) (Downgraded)
Total	31.00	Rs. 28.00 Crores (Rupees Twenty Eight Crores Only.)			

[^] Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Downgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating takes into account the business experience of the promoters, improvement in the net worth and adequate liquidity position. The rating, however, is constrained by decline in the revenue due to problem in the procurement of the orders, inherent risk involved in the tender based business i.e achieving tender at competitive price, geographical concentration as the work is confined to north east region only, debt protection metrics which is below the benchmark level, low margin due to the nature of business and bidding process where the lowest bid gets the tender. Going forward, the Company's ability to improve its scale of operations, sustain order inflow, improve the profitability, margins and reduce the operating cost shall remain the key rating sensitivities.



Key Rating drivers

Credit strengths

- The proprietor holds more than three decades of experience in the industry and have been in the same line of business since 1997.
- Growth in tangible net worth and adequate liquidity position in the Company.

Credit Weaknesses

- The Company has achieved revenue of Rs. 15.00 Crs till December 2017 and it seems difficult to achieve the projections of Rs. 28.00 Crs in FY18.
- Declining trend of the revenues in past three years with simultaneously decline in the operating as well as net profit.
- Being highly competitive nature of industry it has competition from all the bidders who participate in process to procure the tenders.
- Inherent risk involved in the nature of Industry where the lowest bid wins the tender thereby curbing the margins.

Rating Outlook: Stable

BWR believes the **Anup Trade & Transport Private Limited** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Incorporated in year 1997, Anup Trade & Transport Private Limited (ATTPL) involved in the transportation of Food grains. Its registered office located in Guwahati Assam with branch offices in Kolkata, Agartala, Dharmanagar, Bokajan and Tinsukia. According the information received from the management of the company 99% of the work are procured only through tenders from Food Corporation of India. The Managing Director is Mr. Anup Kumar Jasrasaria who is responsible of procurement of the work and tenders whereas Mr. Sumit Kumar Yadav and Mrs. Puspa Jasrasaria, Directors are engaged in operations and management of the Company.



Company Financial Performance

	FY 17	FY 16
Net Sales/ Revenues (Rs. Cr)	26.12	40.03
EBIDTA (Rs. Cr)	3.42	2.55
PAT (Rs. Cr)	0.57	0.73
Tangible Networth (Rs. Cr)	7.30	6.73
Total Debt : TWN (Times)	1.06	1.30
Current Ratio (Times)	1.72	1.43

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History	
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	December 2015*
1	Fund Based	Long Term	6.00	BWR BB- (Outlook Stable) (Downgraded)	-	BWR BB(Stable)
2	Non Fund Based	Short Term	22.00	BWR A4 (Downgraded)		BWR A4+
	Total		28.00	(Twenty Eight Crores Only)		

*Rated amount was Rs. 31.00 Crores

Status of non-cooperation with previous CRA- Not applicable



Anup Trade & Transport Private Limited
Bank Facilities
Annexure I

Nature of all facilities			
Bank Name	Facilities	Sanctioned Limits	Amount to be rated
NedFi	Secured Overdraft	6.00	6.00
	Bank Guarantee	22.00	22.00
Total Rs.28.00 Crs(Twenty Eight Crores Only)			

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)
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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

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