



## Rating Rationale

Arneja Carriers Pvt Ltd

9<sup>th</sup> May 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.9.64 crs of Arneja Carriers Pvt Ltd.

### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<b><u>Fund Based</u></b>			
Cent Trade_OD	5.00	Long Term	<b>BWR B</b> (Pronounced as BWR Single B) <b>Outlook: Stable</b>
*Cent Mortgage_Term Loan	4.64		
<b>Total</b>	<b>Rs. 9.64 Crores (Rupees Nine Crores and Sixty Four Lakhs Only)</b>		

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\* Outstanding amount of term loan as on 27<sup>th</sup> April 2017

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results of the company up to FY16, Projections for FY18 and publicly available information and information /clarifications provided by the management.

The rating has factored, inter alia, the experience of the promoters in transportation/logistic business, diversified and reputed clientele. However, the ratings are constrained by the moderate and fluctuating scale of operations, low net worth and risks inherent in transportation/logistic industry.

Going forward, the ability of the company to generate healthy revenues, improve profitability margins and capital structure would be key rating sensitivities.

### Rating Outlook: Stable

BWR believes the **Arneja Carriers Pvt Ltd's** 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

Arneja Carriers Pvt Ltd is a Private Limited Company incorporated on 1<sup>st</sup> December 2001 at Indore, Madhya Pradesh. The Company provides road transportation services. Apart from this, the company operates a retail outlet for Bharat Petroleum. Mr. Surinder Singh Arneja and Mr. Surjeet Singh Arneja are the directors of the company with more than 20 years experience in the transportation/logistics business.

## Financial Performance

As per audited financial statement of FY16, the company has reported net sales of Rs. 22.33 crs and PAT of Rs. 0.09 crs against net sales of Rs. 24.71 crs and PAT of Rs. (1.76) crs in FY15.

## 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	2015	2014
	Cent Trade_OD	Long Term	5.00	BWR B (Pronounced as BWR Single B) Outlook: Stable	-	-	-
	Cent Mortgage_Term Loan		4.64		-	-	-

Status of non-cooperation with previous CRA (if applicable): NA

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Service Sector](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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#### **For print and digital media**

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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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 ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

#### **DISCLAIMER**

**Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.**