

Rating Rationale

Milap Tradelink Private Limited

31 May 2017

Brickwork Ratings assigns ratings for Bank Loan Facilities of Rs.10.90 Crs (INR Ten Crores Ninety Lakhs only) of Milap Tradelink Private Limited ('MTPL' or 'The Company').

Particulars

Facilities	Tenure	Rated Limits (Rs In Crs.)	Rating
Working Capital	Long Term	10.90	BWR B+ (Pronounced as BWR Single B Plus) Outlook : Stable
Total Fund Based		10.90	
Total		10.90	INR Ten Crores Ninety Lakhs only

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon audited financials of FY 14, FY15 and FY16 and projections up to FY 18, publically available information and clarifications/information provided by the company.

The rating factors in the extensive experience of promoters in the business, improved scale of operation, strong customer base and established sourcing.

However, the rating remains constrained by thin profit margins, high gearing and modest interest service parameters. The rating also considers that the activity; trading in agriculture commodities, mainly grains, is dependent on the monsoon and subject to government price control policies and regulations.

Rating Outlook: Stable

BWR believes the **Milap Tradelink 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 and Management

MTPL, Gujarat based company incorporated in 2012-13 at Jamnagar, Gujarat, by merger of two proprietary units, Milap Trading Company & Milap Traders run by the same family since 1960. The Company is managed under the directorship of Mrs. Leenaben Somaiya and Mr. Milap Somaiya. MTPL is engaged as a grain merchant and a supplier of agriculture commodities to different States and State Governments.

Company Financial Performance

The top line has increased to Rs.93.83 Crs in FY 16 as against Rs 66.92 Crs in FY 15. The company has posted a PAT of Rs 0.34Crs in FY16.

The provisional and unaudited financial data for the FY17 indicates a turnover of Rs 91.00 Crs and a net profit of Rs 0.70 Crs.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Long Term	Rs 10.90 Crs	BWR B+	2014	2015	2016
1	Fund Based				--	--	--

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)

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 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 ₹ 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

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