

Rating Rationale

Trans Earth Logistics Private Limited

6th January 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 10.00 Crores of Trans Earth Logistics Private Limited (TELPL)

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u>			
Cash Credit	5.00	Long Term	BWR B+ Pronounced as BWR B Plus Outlook: Stable
Proposed Limit(Additional)	4.00		
<u>Non-Fund Based</u>			
Performance Guarantee (3 Years)	1.00		
Total	Rs. 10.00 Crores (Rupees Ten Crores Only.)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The ability of the company to improve the profitability margins amidst increasing competition and, efficient management of working capital borrowings, would be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Trans Earth Logistics Pvt Ltd** 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

TELPL incorporated in 2009, was promoted by Mr. Arun and Mr. Vivek with registered office at Nandanam, Chennai. The company has branches located at Manali, Minjur, Karaikal, Nandyal, Tuticorin and Krishnapattnam. TELPL provides services like Bulk Transportation of coal, Boulders, Pond ash and Construction Materials. It has developed long standing relationships with major clientele. TELPL Board consists of 2 directors namely Arun A and Vivek P, holding 49% and 51% of the stake in the company respectively. Both directors are experienced in the industry.

Company Financial Performance

TELPL has reported a Net Loss (NL) of -`0.13 Cr. on Net Sales of `23.24 crs. for FY 16 as against Net Loss (NL) of -`0.09 Cr. on Net Sales of `12.47 crs. for FY15. The Operating Profit Margin was 7.95% in FY16. Tangible net worth as on March 31, 2016 was `1.35 crs. Debt to Equity ratio was at 1.99 times as on FY16. Current ratio was 1.85 as on FY16.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1.	Cash Credit	Long Term	5.00	BWR B+	NA	NA	NA
2.	Proposed Limit(Additional)		4.00				
3.	Performance Guarantee(3 Yrs)		1.00				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Short Term Debt](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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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.

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