

## Shree Azad Transport Company Private Limited

March 09, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	7.50	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
<b>Total Bank Facilities</b>	<b>7.50</b> <b>(Rs. Seven Crore and Fifty Lakhs Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated December 12, 2019, maintained the rating(s) of Shree Azad Transport Company Pvt Ltd (SATCPL) under the 'issuer non-cooperating' category as SATCPL had failed to provide information for monitoring of the rating. SATCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated Feb 22, 2021, Feb 19, 2021, Feb 18, 2021, Feb 16, 2021 and numerous phone calls.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further, banker could not be contacted.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).***

*The rating has been revised by considering non-availability of information and no due diligence was conducted due to non-cooperation by Shree Azad Transport Company Private Limited with CARE's efforts to undertake a review of the rating outstanding. CARE views information unavailability risk as a key factor in its assessment of credit risk. Further, banker could not be contacted.*

The rating on the company's bank facilities will now be denoted as **CARE B; Stable; ISSUER NOT COOPERATING**.

### Detailed description of the key rating drivers

At the time of last rating on December 12, 2019, following were the rating strengths and weaknesses:

#### Key Rating Weaknesses

#### ***Highly fragmented and competitive nature of the industry***

The logistics industry is highly fragmented and competitive industry. The entry barriers in the business are low, thus allowing a large number of small and unorganized players to compete in the market. However, the smaller players typically restrict themselves to certain segments of the logistics business and resort to unhealthy under-cutting of prices.

#### Key Rating Strengths

#### ***Wide experience of promoters of over three decades in logistic industry and long track record of operations***

Mr. Raj Kumar Tekriwal, Managing Director, has three decades of experience in logistic industry through his association with the company since inception. While Mr. Saurav Tekriwal, who has more than a decade experience in logistic industry. They both handle the overall operations of the company.

#### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Liquidity analysis of Non-financial sector entities](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology – Service Companies](#)

#### About the Company

Delhi based Shree Azad Transportation Company Private Limited (STPL) was incorporated on April 20, 1993 by Mr. Raj Kumar Tekriwal. The company has succeeded an erstwhile partnership firm M/s Azad Transport Agency in which Mr. Raj Kumar Tekriwal and his family members were partners. With the increase in turnover, the said firm was converted into private

limited company. The company is a logistics service provider and is engaged in providing transportation and carrier services mainly in Jharkhand, Bihar and Uttar Pradesh. STPL has 60 branches across India. The company owns 20 warehouses in U.P., Bihar, Delhi, and Gujarat and has taken 40 warehouses on lease in Bihar, Jharkhand and U.P.

### Key Financial Indicators

Rs. Cr.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	159.16	186.40
PBILD	4.57	5.09
PAT	1.57	2.08
Overall gearing (times)	1.35	1.04
Interest coverage (times)	3.25	3.79

A: Audited

Status of non-cooperation with previous CRA: NA

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	7.50	CARE B; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information

### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	7.50	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (12-Dec-19)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (03-Oct-18)	1)CARE BB-; ISSUER NOT COOPERATING* (06-Apr-17)

\*Issuer did not cooperate; based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

### Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

#### Disclaimer

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**