

## Shree Azad Transport Company Private Limited

December 12, 2019

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	7.50	<b>CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook:Stable Issuer Not Cooperating)</b>	Issuer Not Cooperating; Revised From CARE BB-; On the basis of Best Available Information
<b>Total</b>	<b>7.50 (Rupees Seven Crore And Fifty Lakhs Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Shree Azad Transport Company Private Limited to monitor the rating(s) vide e-mail communications/letters dated November 14, 2019, November 15, 2019 and November 18, 2019 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. 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. The rating on Shree Azad Transport Company Private Limited's bank facilities will now be denoted as **CARE B+; Stable; ISSUER NOT COOPERATING\***.

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

The rating has been revised by taking into account 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.

### Detailed description of the key rating drivers

*At the time of last rating on October 03, 2018 the 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.

**Analytical approach:** Standalone

#### Applicable Criteria

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

[CARE's methodology for Manufacturing Companies](#)

[Financial Ratios- Non- Financial Sector](#)

#### 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.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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

Brief Financials (Rs. crore)	FY17 (A)	FY18(A)
Total operating income	126.26	119.54
PBILDT	3.88	3.43
PAT	0.88	0.84
Overall gearing (times)	1.91	1.72
Interest coverage (times)	1.74	1.93

A: Audited

**Status of non-cooperation with previous CRA:** Not Applicable

**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 not cooperating; Revised from CARE BB-; Stable; ISSUER NOT COOPERATING* on the basis of best available information

*\*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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	7.50	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB-; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (03-Oct-18)	1)CARE BB-; ISSUER NOT COOPERATING* (06-Apr-17)	1)CARE BB- (13-Apr-16)

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

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