

Press Release

G.A. RANDERIAN PRIVATE LIMITED

09 March, 2018



Rating Reaffirmed

Total Bank Facilities Rated*	Rs. 25.00 Cr.
Short Term Rating	SMERA A4+

* Refer Annexure for details

Rating Rationale

SMERA has reaffirmed short term rating of '**SMERA A4+**' (read as SMERA A four plus) on the Rs. 25.00 crore bank facilities of G.A. Randerian Private Limited.

GARPL, incorporated in 1942, is a Kolkata-based company managed by Mr. Shakir Randerian and Ms. Afroze Randerian. GARPL is engaged in blending, branding, export of tea and export of shrimps. GARPL has a processing unit in Kidderpore, West Bengal. The company's main export markets include UAE, Saudi Arabia and USA.

Key Rating Drivers

Strengths

- **Experience management and long track of operation**

GARPL incorporated in 1942, is a Kolkata-based company engaged in blending, branding, export of tea and export of shrimps. The promoters of GARPL have rich experience of more than seven decades in the tea export business. Currently, GARPL is being managed by Mr. Shakir Randerian and Ms. Afroze Randerian, who are the third generation from the same family in running this business.

- **Comfortable financial risk profile**

The firm has moderate financial risk profile marked by moderate interest coverage ratio of 2.52 times, comfortable debt-equity of 0.29 and NCD/TD of 0.48 times ending FY 2017. DSCR stands at 2.26. The company has no long term debt obligation except for interest payment on short term bank utilization.

Weaknesses

- **Modest scale of operations**

The company operates in modest scale with revenue of Rs 63.04 crore in FY 2017 as against Rs 67.93 crore in FY 2016. GARPL's operations are working capital intensive marked by stretched inventory days of 136 days. Further gross current assets of the company stands at 202 days in FY 2017.

- **Customer and geographical concentration risk**

GARPL is exposed to customer concentration risk with close to 90 per cent of revenue coming from a single agent i.e. Al Intisar General Trading Est, Deira, United Arab Emirates.

- **Volatility in Tea prices**

Tea is susceptible to change in prices which are largely dependent on agro climatic risk, adequate production, government regulations on export.

Analytical Approach

SMERA has taken a standalone view of the financial and business risk profile of the rated entity.

Outlook: Stable

NA

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	63.04	67.93	53.34
EBITDA	Rs. Cr.	1.76	2.53	2.17
PAT	Rs. Cr.	1.30	0.47	0.44
EBITDA Margin	(%)	2.80	3.73	4.08
PAT Margin	(%)	2.07	0.69	0.82
ROCE	(%)	19.95	16.33	15.12
Total Debt/Tangible Net Worth	Times	0.29	0.32	0.28
PBDIT/Interest	Times	2.52	1.62	1.61
Total Debt/PBDIT	Times	1.05	1.33	1.23
Gross Current Assets (Days)	Days	202	199	249

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

NA

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.smerra.in/criteria-default.htm>
- Criteria For Rating Of Banks And Financial Institutions - <https://www.smerra.in/criteria-banks.htm>
- Trading Entities - <https://www.smerra.in/criteria-trading.htm>

Note on complexity levels of the rated instrument

<https://www.smerra.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Facilities	Amount (Rs. Crore)	Ratings
			Short Term
19 Dec, 2016	Export Packing Credit	7.00	SMERA A4+(Reaffirmed)
	Post Shipment Credit	18.00	SMERA A4+(Reaffirmed)
	Letter of Credit	0.25	SMERA A4+(Withdrawn)
23 Dec, 2015	Export Packing Credit	7.00	SMERA A4+(Reaffirmed)
	Post Shipment Credit	10.00	SMERA A4+(Reaffirmed)
	Letter of Credit	0.25	SMERA A4+(Reaffirmed)

10 April, 2015	Export Packing Credit	7.00	SMERA A4+ (Upgraded from SMERA A4)
	Post Shipment Credit	10.00	SMERA A4+ (Upgraded from SMERA A4)
	Letter of Credit	0.25	SMERA A4+ (Upgraded from SMERA A4)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Export Packing Credit	Not Applicable	Not Applicable	Not Applicable	7.00	SMERA A4+
Post Shipment Credit	Not Applicable	Not Applicable	Not Applicable	18.00	SMERA A4+

Contacts

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ABOUT SMERA

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