

## Press Release

### Brickwork Ratings assigns 'BWR BB' for the Bank Loan Facilities amounting ₹ 23.50 Cr of AB Refer Warehousing Pvt. Ltd.

Brickwork Ratings (BWR) has assigned the following **Rating<sup>1</sup>** for the Bank Loan Facilities of ₹ 23.50 Cr of AB Refer Warehousing Pvt. Ltd.

Facility	Bank Name	Amount (₹ Cr)	Tenure	Rating
Term Loan	State Bank of India	23.50	Long Term	<b>BWR BB</b> (BWR Double B)  <b>(Outlook: Stable)</b>
<b>Total Rated limits</b>		<b>23.50</b>	<b>Rupees Twenty Three Crores Fifty Lakhs only</b>	

The rating has factored, inter alia, the established track record of the promoters in the cold storage industry and business of fruits trading, about a third of the funds already brought in by the promoters towards their contribution to the project, project completion expected by end of August of this year, and eligibility for 50% of capital investment subsidy to the project from National Horticulture Board.

The rating, however, is constrained by risk of timely project execution including the technology part, relatively small scale of operations of the Group concerns in cold storage industry, and competition from various small traders in fruit trading business in Himachal Pradesh.

ABRWPL was incorporated as private limited Company in September, 2012, primarily for the business of trading in fruits after preserving them in cold storage with Controlled Atmosphere (CA). Mr. Rajinder Garg and Mr. Dinesh Singh are the co-promoters of the Company. ABRWPL is executing a project for setting up of cold storage facility under Controlled Atmosphere (CA) for a capacity of 5000 M.T. at Kotla, Baddi, Himachal Pradesh.

The Company procured land on lease measuring approximately 12 bighas from Mr. Dinesh Singh, who is other director on Board, for the purpose of establishing Integrated CA cold store. According to the terms of lease, annual lease rent works out to be ₹ 60,000 and the lease period is 20 years. However before expiry of lease, land will be purchased by the Company upon getting approval from HP Govt authorities. The bank has also stipulated mortgage of the lease-hold rights of this land. The project will be set up on this land which is also eligible for subsidy benefits to be granted by NHM/ NHB and Govt of HP.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Rating

Mr. Rajinder Garg is the promoter of Anubhuti Group which comprises of three Companies- Anubhuti Cold Chains Private Limited, Anubhuti Logistics Private Limited and Anubhuti Apples Pvt Ltd. All the three Group concerns are into the same line of business of running of cold storage with Controlled Atmosphere (CA) technology at Punjab and H.P for storage of fruits, especially apples.

As of March 31, 2013, Mr. Rajinder Garg held 40% of shareholding in the Company followed by Mr. Dinesh Singh (25%) and others such as friends and relatives (35%).

The combined turnover of Anubhuti Cold Chains Private Limited, Anubhuti Logistics Private Limited and Anubhuti Apples Pvt Ltd is around ₹ 92 crores, and all the three companies are profitable with low gearing.

Out of the total estimated funding, so far bank has already disbursed ₹ 9.56 Crores and promoters have contributed equity capital of ₹ 5.59 Crores. The project will be operational by end of August, 2013. The Company has already made advance payments of approximately ₹ 9.00 Crores for purchase of machinery (Puff Panel), cooling refrigerators and transformers.

According to the Company, project is expected to be complete by August, 2013, and hence, there are no financial details to be disclosed, except about the amount raised and spent towards the project, which is given above.

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