



Rating Rationale

Aditya Agro Godowns & Packaging

9 October 2017

Brickwork Ratings assigns 'BWR BB- (Outlook: Stable)/ BWR A4 for the Bank Loan Facilities of 'Aditya Agro Godowns & Packaging'

Brickwork Ratings has assigned the **Ratings¹** for the Bank Loan Facilities of Aditya Agro Godowns and Packaging amounting to ₹7.00 crore as follows:

Bank Facilities	Type of Facility	Tenure	Limits (₹ in crs)	Rating ¹
Term Loan	Fund Based	Long Term	5.74	BWR BB- (Pronounced as BWR Double B Minus) (Outlook: Stable)
FLC	Non Fund Based	Short Term	1.26	BWR A4 (Pronounced as BWR A Four)
Total			7.00	(Rupees Seven crore only)

¹ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings.

Rating Assigned:

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the projected financials of the Firm from FY18 to FY21, publicly available information and information/clarifications provided by the management.

The rating, inter alia, has factored the huge demand for storage of rice in rural areas throughout the year, adherence of modernized means of processing of paddy by the firm, region wise compatibility of the Partners doing business in Assam since many years.

The rating also factors the sanctioning of Capital Subsidy by NABARD.



The rating is however constrained by relatively small scale of operations, risks associated with agro product and weather condition, fragmented and competitive nature of the industry.

Rating Outlook: Stable

The Rating outlook is expected to be stable in the near term. Going forward, ability of the firm to achieve the projected revenues, receive the Subsidy sanctioned from NABARD and improve its Capital structure shall remain the key sensitivities.

About the Firm

Established in 2016, Aditya Agro Godowns & Packaging is Partnership firm engaged in the business of setting up or rural godown for storage of food grains and providing the services of rice grading and polishing on job work basis. The Factory is located in Jamunamukh Road, Sarupathar, Dt: Nagaon, Assam. The registered office of the Firm is located in 41, B.K.Kakati Road, Ulubari, Guwahati (Assam). The Partners of the Firm are Gautam Sureka, Radhika Sureka and Parijat Suppliers Pvt. Ltd.

The Firm is constructing a Godown for storage of paddy in Assam, for which it is eligible to receive ₹330.56 lakh under Integrated Scheme of Agricultural Marketing by NABARD.

Financial Performance

The business operations of the firm have started since March 29th, 2017. The Firm projects to achieve Sales of ₹2.34 crore and PAT of ₹0.13 crore in FY18.

yperlink/Reference to applicable Criteria:

- [General Criteria](#)
- [Manufacturing Sector](#)
- [Approach to Financial Ratios](#)



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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.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.