



Rating Rationale

Aditya Hi-Tech Cold Storage

25Jan2019

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹. 4.04 Crores of Aditya Hi-Tech Cold Storage.

Particulars

| Facility | Amount (₹ Crs) | | Tenure | Rating* | |
|---|----------------|--------------|--|--|--|
| | Previous | Present | | Previous (Nov, 2017) | Present |
| Fund Based Cash Credit Term Loan | 0.25 6.80 | 0.25 3.79 | Long Term | BWR B+ (Pronounced BWR B plus) Outlook: Stable | BWR B+ (Pronounced BWR B plus) Outlook: Stable (Reaffirmed) |
| Total | 7.05 | 4.04 | INR Four Crores & Four Lakhs only | | |

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

Ratings: Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials of Aditya Hi-Tech Cold Storage (ACS) up to FY18, projections upto FY21 and publicly available information and information/clarifications provided by the management.

The rating derives comfort from experience of promoters, satisfactory interest coverage ratio and debt coverage ratio. The rating is however is constrained by small scale of operations, low net worth, tight liquidity, fragmented and competitive nature of industry.



Going forward, firm's ability to achieve enhanced scale of operations with increased revenues, and profits, service the debt obligations promptly and manage its working capital efficiently will be the key rating sensitivities.

Description of Key Rating Drivers

- **Credit Strengths:**

One of the partners of the firm is having experience of 15 years. Interest coverage ratio is 2.52 x in FY 18 and debt coverage ratio is at 1.24.x in FY18

- **Credit Risks:**

Small scale of operations with an average revenue of Rs 3.21 Crs in the last two FYs. Tangible net worth stood at Rs. 3.14 crs in FY18, liquidity is marked by Current ratio at 1.14 x in FY18 along with 96% utilization of Working capital facility.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **Aditya Hi-Tech Cold Storage** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Firm

Aditya Hi-Tech Cold Storage is a partnership firm, established on 31.08.2015, with Mr. Suresh Mali and Mr. Manoj kumar Devda as the partners. The firm has its cold storage plant at Idar Sabarkhantha - Gujarat. The firm has an installed capacity of 8250 MTs. The firm is into cold storage of potatoes mainly because of the presence of many potato farmers. The firm is promoted by Suresh Mali and Manojkumar Devda.



Firm’s Financial Performance

Revenue is Rs. 3.30 Crs and PAT is . Rs. 0.45 crs as at FY18. The Tangible Net Worth of the firm stood at Rs. 3.14 Cr in FY18

Rating History for the last three years

| S.No | Facility | Current Rating (2019) | | | Rating History | | |
|--------------|----------------------------------|-----------------------|----------------|--|--|------------------|------------------|
| | | Type | Amount (₹ Crs) | Rating | 17.11.2017 | 2016 | 2015 |
| 1 | Fund Based Cash Credit Term Loan | Long Term | 0.25 3.79 | BWR B+ (Pronounced BWR B plus) Outlook: Stable Reaffirmed | BWR B+ (Pronounced BWR B plus) Outlook: Stable | Not rated | Not rated |
| Total | | | 4.04 | ₹ Four Crores and Four Lakh Only | | | |

Status of non-cooperation with previous CRA - Not to our knowledge

Any other information - Nil

Key Financial Indicators

| Key Parameters | Units | 2018 | 2017 |
|-------------------------------|-------|------|------|
| Result Type | | | |
| Operating Revenue | ₹ Cr | 3.30 | 3.12 |
| EBITDA | ₹ Cr | 2.34 | 2.03 |
| PAT | ₹ Cr | 0.45 | 0.38 |
| Tangible Net worth | ₹ Cr | 3.14 | 3.49 |
| Total Debt/Tangible Net worth | Times | 1.39 | 1.97 |
| Current Ratio | Times | 3.29 | 1.89 |

Hyperlink/Reference to applicable Criteria

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



| Analytical Contacts | Media |
|--|--|
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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

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