



Rating Rationale

Amar Cold Storage

March 31st, 2018

Brickwork Ratings assigns ratings for the Bank Loan facilities aggregating Rs. 8.33 Crores of M/S Amar Cold Storage

Particulars:

Facility	Amount Rated (Cr)	Tenure	Rating Assigned
Fund Based Term Loan	8.33	Long Term	BWR B (Pronounced as BWR Single B) Outlook: Stable
Total	8.33	INR Eight Crore Thirty Three Lakh Only	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results upto FY17 and projections upto FY-18 publicly available information and information/ clarifications provided by the company. The rating draws comfort from the experience of Promoter. The rating is however, constrained by Initial Stages of Operations, Proprietorship Constitution and Price Fluctuation Risk.

Key Rating Drivers

Credit Strengths

- **Experienced Promoter:** Promoter of the firm has more than two decades of experience in the business of trading agro commodities and has gained thorough knowledge of the market which would help the firm in near future to scale up the operations. The storage facility to some extent will be a forward integration for the existing line of activity of the proprietor.

Credit Weakness



- **Initial Stages of Operations:** Firm started its commercial operation in the month of January 2017 and achieved turnover of Rs 0.34 Cr for FY-17.
- **Inherent Price fluctuation Risk:** As Firm is engaged in storing fruits & vegetables it is exposed to inherent price fluctuation risk associated with agro based commodities.
- **Proprietorship Constitution:** M/S Amar Cold Storage being a proprietorship firm, is exposed to inherent risk of proprietor’s capital being withdrawn at a time of personal contingency.

Rating Outlook: Stable

BWR believes the M/S Amar 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 there is a sustained improvement in the revenues and profits of the company. The rating outlook may be revised to 'Negative' if the revenues and profits showing declining trend.

About the Company

M/S Amar Cold Storage a proprietorship firm commenced commercial operation in the month of January 2017. It provides integrated controlled atmospheres and cold storage facility to farmers.

The firm is managed by Mr. Subhash chandra Gupta and its cold storage facility is located at Jammu.

Company Financial Performance

Particulars	Units	FY-17 (Audited)
Total Operating Income	Crores	0.34
EBITDA	Crores	0.26
TNW	Crores	0.17
TOL/TNW	Times	51.78
PAT	Crores	-0.28



Status of non-cooperation with previous CRA: NA

Rating History for the last three years (including withdrawn/suspended ratings):

Facility	Amount Rated (Cr)	Tenure	Rating Assigned (2018)	2017	2016	2015
Fund Based Term Loan	8.83	Long Term	BWR B (Pronounced as BWR Single B) Outlook: Stable	NA	NA	NA
Total	8.83	INR Eight Crore Eighty Three Lakh Only				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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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, 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

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