



Rating Rationale

Anmol Cold Storage

6 Mar 2019

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹. 3.77 Crores of Anmol Cold Storage.(ACS)

Particulars

| Facility | Amount (₹ Crs) | | Tenure | Rating* | | |
|---|----------------|--------------|--|--|----------------------------|---|
| | Previous | Present | | Previous to previous (Nov, 2017) | Previous (Feb, 2019) | Present |
| Fund Based Cash Credit Term Loan | 0.25 6.90 | 0.25 3.52 | Long Term | BWR B+ (Pronounced BWR B plus) Outlook: Stable | Rating Not Reviewed | BWR B+ (Pronounced BWR B Plus) Outlook: Stable (Reaffirmed) |
| Total | 7.15 | 3.77 | INR Three Crores and Seventy Seven Lakhs Only | | | |

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings: Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials of Anmol Cold Storage (ACS) up to FY18, projections upto FY20 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, high debt/TNW, 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 20 years. marginal increase in revenue from Rs2.46 Crs in FY 17 to Rs 2.55 Crs in FY18 , Interest coverage ratio is 2.37 x in FY 18 and debt coverage ratio is at 1.17.x in FY18

- **Credit Risks:**

Small scale of operations with an average revenue of Rs 2.51 Crs in the last two FYs. Tangible net worth stood at Rs. 2.16 crs in FY18, Total debt/TNW stood at 1.93x in FY18.

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 **Anmol 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 Company

Anmol Cold Storage is a partnership firm, established on 31.08.2015, with Mr. Prahaladji K. Mali and Mr. Riteshkumar B. Parmar as the partners. The firm has its cold storage plant at Idar Sabarkhantha - Gujarat. The firm has an installed capacity of 10,000 MTs. The firm is engaged into cold storage of potatoes mainly because of the presence of many potato farmers. The firm is promoted by Mr. Prahaladji K. Mali and Mr. Riteshkumar B. Parmar.

Company Financial Performance

Revenue is Rs. 2.55 Crs and PAT is . Rs. 0.13 crs as at FY18. The Tangible Net Worth of the firm stood at Rs. 2.16 Cr in FY18.

Rating History for the last three years

| S.No | Facility | Current Rating (Mar 2019) | | | Rating History | | |
|--------------|--|------------------------------------|-------------------|---|--|----------------------|----------------------|
| | | Type (Long Term/ Short Term) | Amount (₹ Crs) | Rating | 17.11.2017 | 2016 | 2015 |
| 1 | Fund Based Cash Credit Term Loan | Long Term | 0.25 3.52 | BWR B+ (Pronounced BWR B plus) Outlook: Stable (Reaffirmed) | BWR B+ (Pronounced BWR B plus) Outlook: Stable | Not rated | Not rated |
| Total | | | 3.77 | ₹ Three Crores and Seventy Seven Lakhs Only | | | |

On 18.2.2019 Rating was moved to not reviewed category

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 | 2.55 | 2.46 |
| EBITDA | ₹ Cr | 1.58 | 1.68 |
| PAT | ₹ Cr | 0.13 | 0.18 |
| Tangible Net worth | ₹ Cr | 2.16 | 2.45 |
| Total Debt/Tangible Net worth | Times | 2.04 | 2.00 |
| Current Ratio | Times | 1.59 | 4.63 |

Hyperlink/Reference to applicable Criteria

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



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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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