

Asian Cold Storage

Brickwork Ratings reaffirms the long term rating for the Bank Loan Facilities of ₹. 5.84 Crores of Asian Cold Storage.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Dec, 2018)	Present
Fund Based					
Term Loan	5.50	5.84	Long Term	BWR B Stable	BWR B Stable (Reaffirmed)
Total	5.50	5.84	INR Five Crores and Eighty Four Lakhs Only		

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

** Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings has reaffirmed the long-term rating of BWR B with Stable Outlook for the bank loan facilities of Asian Cold Storage.

The rating reaffirmation has factored, inter alia, successful completion of the project and starting of business operations from July 2019 and capital infusion by partners. The rating, however, is constrained by limited track record and intense competition from other established players in the industry.

The rating has been assigned a stable outlook considering the project completion and starting of business operations and expected growth in the business & profitability is coming years.

KEY RATING DRIVERS

BWR has essentially relied upon the projected financials of FY20 & FY21 of Asian Cold Storage, publicly available information and information/clarifications provided by the firm's management.



Credit Strengths :

- **Locational Advantage :** Locational advantage of the firm as the cold storage unit is located at Bhagwanpur village in Dera Bassi , Punjab, which is an agricultural area.
- **Capital Infusion by Partners:** The partners of the firm have infused capital of Rs. 1.54 crores as on 31 March 2019.
- **Starting of Business Operation:** The Firm firm has successfully set up its cold storage unit and started the business operations from July, 2019.

Credit Weaknesses

- **Limited Track Record:** Limited track record, as the firm is yet to complete its first year of commercial operations.
- **Inherent Risk Associated with adverse Climatic Conditions:** Production of agro commodities are highly dependent on monsoon and other climatic conditions. Any adverse effect may impact the operating income of the firm.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has considered the informations provided by the management of Asian Cold Storage and has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale)

RATING SENSITIVITIES

Going forward, the ability of the firm to achieve its projected revenue and profit margins while keeping its gearing low would be the key rating sensitivities.

Positive: The rating may be positively revised if the firm achieves its projected revenues while maintaining a healthy overall financial profile.

Negative: The rating may be adversely affected if there is deterioration in capital structure and profitability margins of the firm.

LIQUIDITY POSITION : Adequate

The firm's liquidity position is adequate. The promoters of the firm have infused capital of Rs. 1.54 crores as on 31 March, 2019.

FIRM'S PROFILE

M/s Asian Cold Storage is a partnership firm established in 2016 and based in Dera Bassi, Punjab. The firm has four partners namely Mr. Ravinder Gupta, Mr. Aman Gupta and Mrs. Veena Gupta and Mrs. Himali Gupta. The firm has constructed a cold storage unit at

Bhagwanpur village in Dera Bass, Punjab in a land area of 2.5 acres. The firm is providing storage facilities to farmers to store agricultural and horticultural products. The firm has started its business operations from July, 2020.

FIRM'S FINANCIAL PERFORMANCE

As per the information provided by the management, the firm has achieved a total income of Rs. 0.41 Lakhs in 7 months in FY20 (July, 2019 to January, 2020).

NON-COOPERATION WITH PREVIOUS RATING AGENCY, IF ANY : Nil

RATING HISTORY

Sl. No.	Facility	Current Rating			Rating History		
		Type	Amount (Rs. Crs)	Rating	26.12.2019	24 .12.2018	2017
1	Fund Based	Long Term	5.84	BWR B Stable (Reaffirmed)	Rating Not Reviewed	BWR B Stable	Not Rated
Total			5.84	INR Five Crores and Eighty Four Lakhs Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

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

For any other criteria obtain [hyperlinks](#) from website

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Annexure I

Asian Cold Storage

Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facility	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
1	Central Bank of India	Term Loan	5.84	-	5.84
TOTAL - Rupees Five Crores and Eighty Four Lakhs Only					5.84

For print and digital media

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