

Rating Rationale

M L Kushwah Ice & Cold Storage Pvt.Ltd.

06th July 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 5.58Cr of M L Kushwah Ice & Cold Storage Pvt Ltd “(MLKICSPL or the ‘Company’)”.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based			BWR B
Term Loan	2.83	Long Term	Outlook: Stable
Bank Guarantee	2.75		
Total	Rs. 5.58 Crores (Rupees Five Crores Fifty Eight lacs Only.)		

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

Rating assigned : BWR has assigned its long-term rating of BWR B (Pronounced BWR B Minus) to Rs. 5.58 Crs of fund based limit of M L Kushwah Ice & Cold Storage Private Limited.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The Ratings draw strength from the Promoters’ experience in agriculture sector and strategic location of the cold store. The Ratings are however constrained by small scale of operation with single cold store unit, exposure of the agro climatic risk, intense competition from domestic players, low profitability and product concentration risk. Going forward, the Company’s ability to scale up its operations, improve the profit margins and diversify the product profile will be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the M L Kushwah Ice & Cold Storage Private Limited 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

ML Kushwah Ice & Cold Storage Pvt Ltd was incorporated on 14 February, 2006 and is based out of Agra, Uttar Pradesh. The Company is operating a cold storage facility which is engaged in preservation of Potatoes and other agro based product. The cold storage has multiple chambers with capacity of 8757 MT. The Company has recently expanded its capacity to 14171 MT. The total cost incurred in the project was Rs. 4.85 Crores. The Company has adequate power supply arrangement and manpower to run the unit. The Company is managed by Shri Rohan Singh and Ajay Kumar Nahata who jointly looks after the operation and management of the Company.

Company Financial Performance

As per the audited FY16 financials, the Firm has reported Sales of Rs 1.14 Crs in FY 16 against Rs 0.89 Crs in FY 15 and PAT of Rs.0.01 Crs in FY 16 against nil profit booked FY15.

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	FY 2016	FY 2015	FY 2014
1.	Term Loan	Long Term	2.83	B	-	-	-
2.	Bank Guarantee	Long Term	2.75	B	-	-	-

Status of non-cooperation with previous CRA (if applicable): N/A

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entities](#)

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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