

### Pashupatinath Refrigeration Private Limited: Reaffirmed

| Facilities     | Amount (Rs. Crore) | Ratings/Outlook             |
|----------------|--------------------|-----------------------------|
| Cash Credit    | 8.03               | SMERA B/Stable (Reaffirmed) |
| Bank Guarantee | 0.22               | SMERA A4( Reaffirmed)       |
| Term Loan      | 4.34               | SMERA B/Stable (Reaffirmed) |

SMERA has reaffirmed the rating of '**SMERA B' (read as SMERA B)** on the Rs.12.37 crore long term (fund based) and '**SMERA A4' (read as SMERA A four)** on the Rs.0.22 crore short term (non-fund based) bank facilities of Pashupatinath Refrigeration Private Limited (PRPL). The outlook continues to remain '**Stable**'. The ratings continue to be constrained by the company's short track record of operations and modest scale of business in the intensely competitive cold storage industry. However, the ratings draw comfort from the experienced management.

#### Update

The West Bengal-based PRPL provides cold storage services for potatoes to local farmers. In FY2014-15, the company reported profit after tax (PAT) of Rs.0.08 crore on operating income of Rs.4.32 crore against net loss of Rs.0.06 crore on operating income of Rs.4.00 crore in FY2013-14. The company has reported operating income of Rs.4.53 crore in FY2015-16 (provisional) due to increase in rental charges for storage.

The company benefits from its experienced management. Mr. Bishwanath Roy and Mr. Arun Kumar Trivedi, Directors, have more than a decades experience in the company's line of business.

#### Outlook – Stable

SMERA believes that PRPL's outlook will continue to remain stable owing to the extensive experience of its promoters. The outlook may be revised to 'Positive' if the company is able to scale up operations with improvement in the financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of decline in operating income or any large debt funded plan.

#### Rating Sensitivity Factors

- Sustainable improvement in operating income and profitability profile
- Exposure to agro climatic risk

#### Criteria applied to arrive at the ratings:

- Trading Entities

#### About the Company

PRPL, incorporated in 2012, is a Birbhum-based company that trades in potatoes and provides cold storage services. The day-to-day operations are managed by Mr. Bishwanath Roy and Mr. Arun Kumar Trivedi.

For FY2014-15, PRPL reported profit after tax (PAT) of Rs.0.08 crore on operating income of Rs.4.32 crore, as compared with net loss of Rs.0.06 crore on operating income of Rs.4.00 crore for FY2013-14. As per the 12 month estimates for FY2015-16, the company booked operating income of Rs.4.53 crore. The net worth stood at Rs.2.72 crore in FY2014-15 as compared to Rs.2.65 crore a year earlier.

### Rating History

| Date          | Facilities     | Amount      | Ratings               |                        | Outlook |
|---------------|----------------|-------------|-----------------------|------------------------|---------|
|               |                | (Rs. Crore) | Long Term             | Short Term             |         |
| 01 Sept, 2015 | Cash Credit    | 8.03        | SMERA B<br>(Assigned) | -                      | Stable  |
|               | Bank Guarantee | 0.22        | -                     | SMERA A4<br>(Assigned) | -       |
|               | Term Loan      | 4.34        | SMERA B<br>(Assigned) | -                      | Stable  |

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### ABOUT SMERA

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