

Press Release

Girnar Cold Storage And Warehousing Private Limited

June 08, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 11.34 Cr.
Long Term Rating	ACUITE D

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 11.34 crore bank facilities of Girnar Cold Storage And Warehousing Private Limited.

Incorporated in 2013 Girnar Cold Storage & Warehouse Private Limited (GCPL) is a private limited promoted by Mr. Rajesh Laxman Ramsinghani and Mr. Sunil Laxman Ramsinghani. The firm is engaged in maintaining two cold storage one in Sehod (Manpur near Pithampur) and second in Sodang (near Ujjain) with the 10500 metric tonnes each.

Key Rating Drivers

Strengths

- Experienced Management**

GCPL, incorporated in 2013, is promoted by Mr. Rajesh Laxman Ramsinghani and Mr. Sunil Laxman Ramsinghani. Mr. Harish Gupta manages day to day routine of the company having 3 years of experience in the same line of business.

Weaknesses

- Small Scale of Operations**

The scale of operation is small with operating revenue of Rs.2.17 crore in FY2017 as against Rs.1.64 crore in FY2016 from its cold storage and warehouse. Going forward, the firm's operating income is expected to be augmented by rental income received by dealing in potatoes and carrots.

- Weak Financial Risk Profile**

The average financial risk profile is marked by moderate net worth, high gearing and moderate debt protection metrics. The net worth improved from Rs. 2.93 crore in FY2016 to Rs.6.97 crore in FY2017 from mainly on account of capital infusion. The gearing stood high at 2.59 times as on 31 March, 2017. The net cash accruals against total debt remained low at 0.27 times in FY2017.

- Delays in Servicing Debt Obligation**

There have been instances of delays in servicing of debt obligations during the last three months on interest payment of term loan.

Analytical Approach

Acuite has considered standalone business and financial risk profile of the company to arrive at the rating.

Outlook:

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	2.17	1.64	0.21
EBITDA	Rs. Cr.	0.77	0.56	0.05
PAT	Rs. Cr.	3.59	-1.29	-0.28
EBITDA Margin	(%)	35.58	34.37	22.76

PAT Margin	(%)	165.59	-78.47	-134.75
ROCE	(%)	-2.86	-3.35	-1.94
Total Debt/Tangible Net Worth	Times	2.59	3.83	2.57
PBDIT/Interest	Times	1.14	1.00	0.56
Total Debt/PBDIT	Times	23.29	19.74	137.35
Gross Current Assets (Days)	Days	948	557	1676

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	1.65	ACUITE D
Term loans	Not Applicable	Not Applicable	Not Applicable	2.53	ACUITE D
Term loans	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE D
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.07	ACUITE D
Term loans	Not Applicable	Not Applicable	Not Applicable	2.09	ACUITE D

Contacts

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About Acuité Ratings & Research:

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