

Bundelkhand Agro Logistics

March 08, 2021

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	6.00	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Revised from CARE B; Stable (Single B; Outlook: Stable) and moved to ISSUER NOT COOPERATING category
Total Facilities	6.00 (Rs. Six Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Bundelkhand Agro Logistics to monitor the rating vide letter dated February 26, 2021 and e mail communications dated February 25, 2021, January 15, 2021, January 08, 2021 and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Bundelkhand Agro Logistics will now be denoted as **CARE B-; Stable; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers

The rating has been revised by taking into account non- cooperation by Bundelkhand Agro Logistics with CARE'S efforts to undertake a review of the rating outstanding. CARE views information availability risk as a key factor in its assessment of credit risk. The rating assigned to Bundelkhand Agro Logistics continues to remain constrained presence in a highly fragmented and competitive industry. The rating, however, derive strength from experienced partners.

Key Rating Weaknesses

Presence in a highly fragmented and competitive industry

BAL operates in a highly competitive market environment wherein entry barriers are low, thus allowing a large number of small and unorganized players to compete in the market. However, with times changing, many of them have graduated to the medium size category, thereby expanding the organized players' base thereby facing competition.

Key Rating Strengths:

Experienced partners

Bundelkhand Agro Logistics (BAL) was established in June, 2014 as a partnership concern. However, the commercial operations started in January, 2017 and is currently being managed by Mrs. Rita Jain, Mrs. Gayatri Maggo, Mrs. Sonal Sardana, Mrs. Ruchi Jain, Mrs. Priti Gupta and Mrs. Shruti Goel as its partners. The partners have industry experience of around 5-25 years gained through their association with BAL and engagement in similar kind of business business. The partners have adequate acumen about various aspects of business which is likely to benefit BAL in the long run.

Analytical approach: Standalone

Applicable Criteria:

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Rating Outlook and Credit Watch](#)

[CARE's Policy on Default Recognition](#)

[CARE's methodology for service sector companies](#)

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Financial ratios – Non-Financial Sector
Liquidity analysis of Non-financial sector entities

About the company

Bundelkhand Agro Logistics (BAL) was established in June, 2014 as a partnership concern. However, the commercial operations started in January, 2017 and is currently being managed by Mrs. Rita Jain, Mrs. Gayatri Maggo, Mrs. Sonal Sardana, Mrs. Ruchi Jain, Mrs. Priti Gupta and Mrs. Shruti Goel as its partners. The firm is engaged in the providing leasing services of warehouse at its facility with an area of 3,92,911 square feet located in Lalitpur, Uttar Pradesh. BAL provides the warehouses on lease to Food Corporation of India through U.P. State Warehousing Corporation. The total operating income of the firm majorly includes monthly rent received from its Food Corporation of India.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	1.29	1.47
PBILDT	1.21	1.33
PAT	0.44	0.64
Overall gearing (times)	3.69	2.42
Interest coverage (times)	1.57	1.92

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	July, 2026	6.00	CARE B-; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	6.00	CARE B-; Stable; ISSUER NOT COOPERATING*	1)CARE B; Stable (27-Apr-20)	-	-	-

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this firm

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra

Contact no.– +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

Analyst Contact

Name: Mr. Gaurav Gupta

Tel: 0172-4904002

Email: gaurav.g@careratings.com

Relationship Contact

Name: Mr. Anand Jha

Tel: 0172-4904001

Email ID: anand.jha@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**