



Press Release
ADSYNDICATE SERVICES PRIVATE LIMITED
October 07, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE BB+ Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs. 25.00 Cr. bank facilities of Adsyndicate Services Private Limited (ASPL). The outlook is '**Stable**'.

Reason for rating reaffirmation

The rating reaffirmation considers the improvement in revenues with thin profitability albeit modest scale of operations and adequate liquidity position. The rating factors in the established track record of operations of the company with experienced management. The financial risk profile remains moderate, supported by modest net worth and elevated capital structure, though rising interest costs have impacted debt protection metrics to an extent. The rating is however constrained due to moderately intensive working capital management and intensely competitive and fragmented industry.

About the Company

Incorporated in 1997, Adsyndicate Services Private Limited (ASPL) is a Udupi, Karnataka based company involved in media strategy, consulting, and advertising. It is an advertising agency that works with clients to build and promote their brands. Market research, brand strategy, communication strategy, creative strategy and execution, designing, conceptualizing, and visualizing everything creative, as well as media purchasing and planning, are among the services it offers its clients. It also manages the planning, organizing, and execution of national exhibitions. The company's clients include Manipal University, Sandisk International, Amritha Vishwa Vidyepeetham, KLE Education Institutions, Nissan Motors India Pvt Ltd, Canara Bank, and Tata Motors Limited. The current directors of the company are Mr. U B Krishna Rao and Mr. S. Prabhakar Pai.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of ASPL to arrive at this rating.

Key Rating Drivers

Strengths

Established track record of operations with experienced management

After being incorporated in 1997, ASPL has been involved in media planning, consulting, and advertising. The promoters, Mr. Prabhakar Sastana Pai and Mr. Krishnaraj Rao, have around 20 years of experience, which has been backed by consistent revenue growth over time. Additionally, the promoters' wealth of knowledge has assisted the business in attracting new clients, which has improved the scale of operations even more. Acuite believes that the promoter's experience, vintage of operations, reputed clientele is expected to support in improvement of its business risk profile over the medium term.

Increase in Revenues albeit modest scale of operations

The operating income of the company increased to Rs. 102.34 Cr. in FY2025 from Rs. 77.79 Cr. in FY2024. The growth in operating income is on account of addition of new customers and improved business from existing customers during the year. Creative Businesses, Retainer Fees, Media Incentives, Some Event management Businesses has contributed to increase in the revenues as well. The operating profit margins of the company stood at 2.11 per cent in FY2025 as compared to 2.32 per cent in FY2024. Going ahead, margins are expected to improve marginally as the company is increasing its focus on digital advertising which entails higher margins. The company has reported thin PAT margins of ~ 0.90 per cent during FY2025 and FY2024 which is largely supported by interest income of ~Rs. 2.30 Cr. on fixed deposits. Acuite believes that the operating performance of the company would improve steadily over the medium term on the back of expected contribution from high margin business.

Moderate Financial risk profile

The financial risk profile of the company remained moderate characterized by a modest net worth base, elevated gearing levels, and average debt protection metrics. The tangible net worth of the company stood at Rs. 14.10 Cr. as on March 31, 2025 as compared to Rs. 13.68 Cr. as on March 31, 2024. The total debt of the company stood at 49.00 Cr. as on March 31, 2025 as compared to Rs. 24.12 Cr. as on March 31, 2024. The debt profile of the company comprises of Rs. 0.31 Cr. of secured term loans, Rs. 48.27 Cr. of short-term borrowings (loan against fixed deposits of Rs. 32.54 Cr.) and CPLTD of Rs. 0.59 Cr. as on March 31, 2025. The entity's capital structure exhibited sharp increase in gearing level of 3.48 times in FY2025, as compared to 1.76 times in FY2024, primarily due to secured borrowings availed against fixed deposits during the year.

The TOL/TNW stood at 4.45 times as on March 2025 compared to 2.51 times as on March 2024. The entity's debt protection metrics remained moderate, as reflected by a Debt Service Coverage Ratio (DSCR) of 1.26 times in FY2025, compared to 1.08 times in FY2024 and interest service coverage ratio stood at 1.63 times in FY2025 compared to 1.91 times in FY2024. Further, the Debt/EBITDA levels stood to 10.26 times in FY2025 against 7.38 times in FY2024. Acuite believes, the financial risk profile of the company would remain moderate on the back of modest net worth base.

Weaknesses

Moderately intensive Working capital operations

The working capital operations of the company showed signs of elongation, with Gross Current Asset (GCA) days increasing to 68 days in FY2025, from 52 days in FY2024. This was primarily driven by a rise in debtor days to 62 days in FY2025, compared to 48 days in the previous year. The average credit period extended to customers ranges between 45–60 days. However, the reliance on working capital limits stood moderate at ~76.08 per cent for the last 06 months ending August 2025. Acuite believes, the working capital operations of the company would remain moderately intensive on the back of nature of business.

Exposure to a highly competitive and cyclical industry

Due to the company's high reliance on advertising activity, it is subject to economic cycles, which increases revenue volatility. In addition, the advertising industry is highly competitive due to the presence of both organized and unorganized players. Finally, the advertising industry is susceptible to external events such as government policy changes, advertiser preferences, and company cuts brought on by a slowdown in the economy.

Rating Sensitivities

- Increase in Revenues albeit modest scale of operations
- Improvement in debt protection metrics
- Any deterioration in the working capital cycle leading to stress on the liquidity position

Liquidity Position Adequate

The liquidity position of the company is adequate marked by sufficient cash accruals generations against its maturing repayment obligations. The company generated net cash accruals of Rs. 1.51 Cr. in FY2025 against Rs. 0.59 crore of debt repayment obligation. Further, the reliance on working capital limits stood moderate at ~76.08 per cent average utilisation during the last 6 months ended August 2025. The company has unencumbered fixed deposits of Rs. 9.67 Cr. as on March 31, 2025. The current ratio of the company stood at 0.50 times as on 31st March 2025 against 0.48 times as on 31st March 2024.

Acuite believes, the liquidity position is expected to remain adequate on account of expected steady accruals over the medium term.

Outlook

Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	102.34	77.79
PAT	Rs. Cr.	0.92	0.70
PAT Margin	(%)	0.90	0.90
Total Debt/Tangible Net Worth	Times	3.48	1.76
PBDIT/Interest	Times	1.63	1.91

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

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Jul 2024	Cash Credit	Long Term	20.00	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.00	ACUITE BB+ Stable (Reaffirmed)
11 Apr 2023	Cash Credit	Long Term	20.00	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.00	ACUITE BB+ Stable (Reaffirmed)
02 Mar 2022	Cash Credit	Long Term	20.00	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.00	ACUITE BB+ Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BB+ Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+ Stable Reaffirmed

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About Acuité Ratings & Research

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