

Press Release

A. S. Carriers Private Limited

November 01, 2022



Rating Reaffirmed & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	45.00	ACUITE BB+ Reaffirmed & Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	45.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn its long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs.45.00 Cr. bank facilities of A S Carriers Private Limited. The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuite's policy on withdrawal of ratings.

About the Company

Incorporated in 1993, A. S. Carriers Private Limited (ASCPL) is a Chennai based company promoted by Mr. Amar Rahman and his wife, Mrs. Shahana Rahman. The company is engaged in the business of construction and leasing activities. ASCPL has developed about 7.87 lakhs sq. ft. of which 5.17 lakh sq. ft is leased out as of August 2020.

Analytical Approach

Acuite has taken the standalone view of the business and financial risk profile of ASCPL to arrive at the rating.

Key Rating Drivers

Strengths

> Established track record and experienced management

ASCPL's promoters have over two decades of experience in developing and leasing properties. The extensive experience of the promoters along with its established track record of operations, is reflected through the long-term lease agreements with its reputed tenants. Over the years, the ASCPL has developed around 7.87 lakh square feet leasable area, across 3 locations.

> Improving Sales and profitability

A S Carriers Private Limited (ASCPL) has recorded improvement in its operating performance in FY2022, marking by a rise of 85.54% in its operating income. The lease rental revenue of ASPL stood at Rs.13.93 Cr in FY2022 as against Rs.7.51 Cr in FY2021. The operating margin of the firm rose to 83.51 percent in FY2022 as against 79.25 percent in FY2021. The PAT margin also improved to 22.18 percent in FY2022 as against 5.15 percent in FY2021.

Weaknesses

>Risks related to the timely renewal of lease contracts and susceptibility to lower occupancy due to economic downturns

The revenues of the company are derived by way of rent from reputed corporates. The company ensures that credit quality is satisfactory. However, the counterparty risk is high in case of occurrence of any events such as changes in policy decisions by top management willing to continue their warehouse space. In the event of non-renewal by existing lessee, the future cash flows will be impacted thereby translating to weakening of debt protection indicators. However, this risk is partially mitigated by the long-term relationship with reputed tenant base will support the business profile and the same established in the past.

Rating Sensitivities

None

Material covenants

None

Liquidity Position

Adequate

The company generated Net Cash Accruals (NCA) of Rs.3.83 Cr In FY2022 as against maturing debt obligation of 1.10 Cr in the same period. The company maintained cash and bank balances of Rs.0.17 crore as on March 31, 2022. The current ratio of the company is marked moderate as it stood at 2.05 times as on 31 March, 2022 as against 0.91 times as on 31 March, 2021.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	13.93	7.51
PAT	Rs. Cr.	3.09	0.39
PAT Margin	(%)	22.18	5.15
Total Debt/Tangible Net Worth	Times	0.66	0.66
PBDIT/Interest	Times	1.63	1.26

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

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
06 Dec 2021	Term Loan	Long Term	45.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
22 Sep 2020	Term Loan	Long Term	45.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
LIC Housing Finance Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	45.00	ACUITE BB+ Reaffirmed & Withdrawn

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Radhika Kolwankar Analyst-Rating Operations Tel: 022-49294065 radhika.kolwankar@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.