



**Press Release**  
**RASHA IND PRIVATE LIMITED**  
**January 21, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	55.00	ACUITE BBB-   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	55.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) on the Rs.55.00 crore bank facilities of Rasha Ind Private Limited (RIPL). The outlook is 'Stable'.

**Rationale for rating**

The rating takes into cognizance experience of the management and healthy relationship with customers, increasing revenues albeit declining operating profitability, average financial risk profile and adequate liquidity; however these strengths are partly offset by intensive working capital cycle and risk associated with the timely renewal of contracts.

**About the Company**

West Bengal – Based, Rasha Ind Private Limited was incorporated in 1984. The company is engaged in warehousing, cold storage activities, civil work contracts and agricultural activities. The directors of the company are Mr. Gautam Agarwalla, Mr. Amit Agarwalla and Mr. Dipankar Biswas.

**About the Group**

West Bengal – Based, Frontier Warehousing Limited was incorporated in 1990. The company is engaged in Development of Land & Warehousing Services. The directors of the company are Mr. Gautam Agarwalla, Mr. Amit Agarwalla, Mr. Charu Rajgarhia, Mr. Anush Agarwalla and Mr. Rishi Bajoria.

West Bengal – Based, Shri Ram Tea Company Private Limited was incorporated in 1991. The company is engaged in plantation of tea. The directors of the company are Mr. Amit Agarwalla and Mrs Priya Agarwal.

West Bengal – Based, Teasel Reality Private Limited was incorporated in 2021. The company is engaged in construction works. The director of the company is Mr. Amit Agarwalla.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

**Extent of Consolidation**

• Full Consolidation

**Rationale for Consolidation or Parent / Group / Govt. Support**

Acuite has taken a consolidated view of Rasha Ind Private Limited, Frontier Warehousing Limited, Shri Ram Tea Company Private Limited and Teasel Reality Private Limited due to operational and financial linkages among them. The financial linkages by way of holding-subsidiary relationship, same line of business, common management and corporate guarantee.

**Key Rating Drivers**

**Strengths**

Experienced promoters and healthy relationship with customers

The operations of the group are managed by Mr. Gautam Agarwalla and Mr. Amit Agarwalla who have more than 25 years of experience in the line of warehousing. The group has a diversified business stream which includes construction of warehouses, cold storage and plantation of tea. They also have healthy relations with their

customers which include marquee clients like LTK Industries Private Limited, Reliance Projects and Property Management Services Limited, Dollar Industries Limited. Acuite believes that the experience of the promoters as well as the healthy relationship with the customers and suppliers will leverage the business and also benefit the group going forward.

### **Increasing Revenues albeit declining operating profitability margins**

The revenues of the group have increased to Rs. 99.76 Cr. as on March 31, 2024 as compared to Rs. 66.92 Cr. as on March 31, 2023 due to execution of construction contracts around West Bengal and sale of tea. The operating profitability has declined to 39.21 percent as on March 31, 2024 as compared to 51.18 percent March 31, 2023 because it includes more of construction work contracts. The group is incurred capex of around Rs 110 Cr. to develop the fifth warehouse in FWL at Khardah with an area of 4.2 sq ft, likely to be operational from FY 26 onwards. In addition, there is a proposed mall development at Dankuni, West Bengal with capex of around Rs. 70-80 Cr. over the medium term.

The company also holds plantation units of ginger and turmeric at Silchar of about 100-110 acres likely to be operation from FY 26 and augment reevenue profile. Other than the operating income, a large part of non-operating income is contributed by profit on sale of land of self and of step-down subsidiaries.

### **Average financial risk profile**

The financial risk profile of the group is average marked by comfortable net worth, moderate gearing and comfortable debt protection metrics. The tangible net worth stood at Rs. 74.18 Cr. as on March 31, 2024 as compared to Rs. 58.59 Cr. as on March 31, 2023 due to accretion of reserves. Gearing stood at 6.44 times as on March 31, 2024 compared to 5.93 times in FY2023. The debt profile comprises of LRD loans of Rs. 376.21 Cr. in FWL out of the total consolidated debt profile of Rs. 478.00 Cr. in FY 24. The interest coverage ratio stood at 1.70 times as on March 31, 2024 compared to 1.66 times as on March 31, 2023. The debt service coverage ratio stood stable at 1.27 times as on March 31, 2024 as compared to 0.98 times as on March 31, 2023. The TOL/TNW stood high at 9.04 times as on March 31, 2024 as compared to 7.91 times as on March 31, 2023 due to non-current liabilities. Acuite believes that the group's financial risk profile will remain average in medium term backed by steady cash accruals.

### **Weaknesses**

#### **Intensive working capital cycle**

The operations of the group have an intensive working capital cycle as reflected from its Gross Current Assets of 489 days as on March 31, 2024 as compared to 418 days as on March 31, 2023. The inventory days stood at 303 days as on March 31, 2024 as compared to 491 days as on March 31, 2023 comprising largely of warehouse work in progress. The debtor days stood at 49 days as on March 31, 2024 as compared to 53 days as on March 31, 2023. The other current assets amount to Rs. 68.75 Cr. as on March 31, 2024 as compared to Rs. 21.66 Cr. as on March 31, 2023 comprising mostly of advances provided for acquiring land. The creditor days stood at 94 days as on March 31, 2024 compared to 292 days as on March 31, 2023. The group has also received various advances from third parties for land sales. Acuite believes that working capital requirements are expected to remain intensive over the near to medium term.

### **Rating Sensitivities**

Movement in revenues and operating profitability

Working capital cycle

Timely implementation of the capex plans

Renewal of warehousing contracts

Extent of fungibility between group entities

### **Liquidity Position**

#### **Adequate**

The liquidity is adequate marked by steady net cash accruals of Rs. 20.30 Cr. as on March 31, 2024 as against long term debt repayment of Rs. 9.33 Cr. over the same period. The cash and bank balances stood at Rs. 10.02 Cr. as on March 31, 2024 as compared to Rs. 9.50 Cr. as on March 31, 2023. The current ratio stood stable at 1.54 times as on March 31, 2024 as compared to 1.02 times as on March 31, 2023. The fund-based utilization ended seven months, October 2024 is 74%. Acuite believes that going forward the liquidity position of the group will remain adequate in the near to medium term.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	99.76	66.92
PAT	Rs. Cr.	9.76	5.70
PAT Margin	(%)	9.78	8.52
Total Debt/Tangible Net Worth	Times	6.44	5.93
PBDIT/Interest	Times	1.70	1.66

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

None

### Any Other Information

None

### Applicable Criteria

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

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité 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](http://www.acuite.in).

**Rating History:Not Applicable**

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.63	Simple	ACUITE BBB-   Stable   Assigned
IDBI Bank Ltd.	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.90	Simple	ACUITE BBB-   Stable   Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	10 Dec 2024	Not avl. / Not appl.	19 Oct 2034	24.25	Simple	ACUITE BBB-   Stable   Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	21 Dec 2023	Not avl. / Not appl.	29 Oct 2033	7.75	Simple	ACUITE BBB-   Stable   Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	21 Dec 2023	Not avl. / Not appl.	14 Nov 2030	0.50	Simple	ACUITE BBB-   Stable   Assigned
IDBI Bank Ltd.	Not avl. / Not appl.	Term Loan	31 Dec 2022	Not avl. / Not appl.	13 Oct 2037	5.30	Simple	ACUITE BBB-   Stable   Assigned
IDBI Bank Ltd.	Not avl. / Not appl.	Term Loan	31 Dec 2022	Not avl. / Not appl.	13 Oct 2037	0.67	Simple	ACUITE BBB-   Stable   Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE BBB-   Stable   Assigned

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Rasha Ind Private Limited
2	Frontier Warehousing Limited
3	Shri Ram Tea Company Private Limited
4	Teasel Reality Private Limited

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### About Acuité Ratings & Research

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