

RATING RATIONALE

28 Oct 2020

Ardeshir B. Cursetjee & Sons Ltd.

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 32.00 Crores of Ardeshir B. Cursetjee & Sons Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (April 2019)	Present
Fund Based	27.00	27.00	Long Term	BWR BB+ (Stable) Reaffirmed	BWR BB (Stable) Downgraded Issuer Non Co-operating*
Non Fund Based	5.00	5.00	Short Term	BWR A4+	BWR A4 Downgraded Issuer Not Co-operating*
Total	32.00	32.00	INR Thirty Two Crores only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating of the Bank Loan Facilities of the company has been revised to BWR BB/Stable/A4 on account of non-receipt of complete papers/information for ascertaining the financial risk profile/performance of the company. We have therefore migrated the rating under the “Issuer Not Cooperating” category.

The rating was due for surveillance in April 2020. We had issued an advisory for the delay in the review of the rating in May 2020 as the company was unable to provide the information for the review due to the pandemic and lockdown. The company was being regularly followed up for the surveillance, vide email, calls and messages dated 01.04.2020, 09.06.2020, 02.07.2020,

14.07.2020, 04.08.2020, 11.08.2020, 03.09.2020, 08.09.2020, 10.09.2020, 18.09.2020, 12.10.2020 and 23.10.2020 for obtaining the relevant and latest paper/ information for the review of the rating. The company did not cooperate in undertaking the rating process in spite of following up several times. In the absence of adequate information from the entity and the bank, BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating.

Hence, on account of inadequate information and lack of management cooperation, BWR recommends to continue the rating under Issuer Non Cooperating category and has revised the rating of the Bank Loan Facilities of the company to BWR BB/A4 (Issuer Not Cooperating).

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 19	FY 18
Result Type		Audited	Audited
Operating Income	₹ Cr	97.77	17.06
EBITDA	₹ Cr	4.08	(5.24)
PAT	₹ Cr	(2.96)	(1.14)
Tangible Net Worth	₹ Cr	148.81	151.79
Total Debt /TNW	Times	0.29	0.16
Current Ratio	Times	2.31	3.41

COMPANY PROFILE (Information as on April 2019)

Ardeshir B Cursetjee and Sons Ltd (ABC SL) is a flagship company of ABC Dubash Group. It has been in operation for 71 years. The company consists of divisions engaged in shipping and transport services in various ports of India. The company has diversified its business of dredging bulk cargo handling, stevedoring and multi modal transportation.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Instrument / Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	April 2019	2018	June 2017
Fund Based SOD	Long Term	7.00	BWR BB Stable (Downgraded) Issuer Not Cooperating*	BWR BB+ Stable (Reaffirmed)		BWR BB+ Stable (Reaffirmed)
SOD (Project Specific)		20.00				
Non Fund Based Letter of Guarantee	Short Term	5.00	BWR A4 Downgraded Issuer Not Cooperating*	BWR A4+ Reaffirmed	-	BWR A4+ Reaffirmed
Inland/Import Letter of Credit-Sublimit		(5.00)				
Total		32.00	INR Thirty Two Crores Only			

*Issuer did not co-operate. Based on the best available information.

Note: The rating was moved to Rating Not Reviewed in April 2020 and advisory for the delay in rating review was issued in May 2020

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **What Constitutes Non Co-operation**

For any other criteria obtain hyperlinks from website

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ANNEXURE I

Ardeshir B. Cursetjee & Sons Ltd.

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1	Union Bank of India	SOD	7.00	-	7.00
2		Project Specific SOD	20.00	-	20.00
3		Letter of Guarantee		5.00	5.00
4		Inland/Import Letter of Credit		(5.00)	(5.00)
TOTAL					32.00

INR Thirty Two Crores only



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