



## Rating Rationale

**Ardeshir B. Cursetjee & Sons.**

**22 June 2017**

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 12.00 crs. of Ardeshir B. Cursetjee & Sons**

### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<b>Fund Based</b>  <b>SOD</b>	<b>7.00</b>	<b>Long Term</b>	<b>BWR BB+</b> (Pronounced as BWR double BB plus) <b>Outlook: Stable</b>
<b>Non-Fund Based</b>  <b>Letter of Guarantee</b> <b>w/w inl./imp. L/C</b> <b>(sub limit)</b>	<b>5.00</b> <b>(5.00)</b>	<b>Short Term</b>	<b>BWR A4+</b> (Pronounced as BWR A four plus)
<b>Total</b>	<b>Rs. 12.00 Crores (Rupees Twelve Crores Only.)</b>		

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

The ratings draws strength from the Company being in business for over six decades, satisfactory promoter and management experience, long track record of sustenance of operations in the maritime service industry, moderate gearing ratios along with new dredging contract for the following year. However, the rating is constrained by reduction in revenues of 15% along with losses in FY15 and FY16, investment risk of non-current assets, low scale of operations as per industry standards, high receivables days and adverse current ratio.

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### Rating Outlook: Stable

BWR believes the Ardeshir B. Cursetjee & Sons business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

### About the Company

Ardeshir B. Cursetjee & Sons Ltd., the Flagship Company of ABC Dubash Group. It has been in operations for 69 years. The Company consists of divisions engaged in shipping and transport services in various ports of India. The company has diversified its business to dredging, bulk cargo handling, stevedoring, multi modal transportation.

### Company Financial Performance

Moderate D/E ratio of 0.97x in FY16, which has further improved during to infusion of additional capital. Reduction in revenues of 15% to Rs. 35.68 crs in FY16 along with losses in FY15 and FY16 of Rs4.21crs and Rs.2.82 crs respectively, investment risk of non-current assets of Rs.38.12 crs, low scale of operations as per industry standards. high receivables days and low current ratio of 0.97x and DSCR of 0.85x in FY16.

### Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	Date in 2016	Date in 2015	Date in 2014
1	SOD	Long term	7.00	BWR BB+			
2	Letter of Guarantee	Short term	5.00	BWR A4+	NA	NA	NA
3	w/w Inl./imp. L/C (Sublimit)	Short term	(5.00)				



## Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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### Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

### About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

### DISCLAIMER

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