

September 28, 2023

Avanthi Warehousing Services Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash credit	22.00	22.00	[ICRA]BBB+ (Stable); withdrawn
Long-term / Short-term – Non Fund based - Others	22.00	22.00	[ICRA]BBB+ (Stable)/[ICRA]A2; withdrawn
Long-term – Fund-based – Term loan	38.60	38.60	[ICRA]BBB+ (Stable); withdrawn
Long-term – Unallocated	0.40	0.40	[ICRA]BBB+ (Stable); withdrawn
Total	83.00	83.00	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Avanthi Warehousing Services Private Limited (AWSPL) at the request of the company based on the no objection certificate (NOC) received from its lenders, which is in accordance with ICRA's policy on withdrawal of credit ratings. ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position, rating sensitivities, key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology ICRA policy on withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has taken a consolidated view of the AWSPL, Awaze Limited and other entities (mentioned in annexure II) operating in the Group, given the close business, financial linkages, and common management.

About the company

Incorporated in 1997, AWSPL is a supply-chain logistics company, providing services such as warehousing, handling, supervisory and transportation to companies operating in fertilisers, FMCG, cement, paints, and agri-commodities industries, among others. The company is promoted by Mr. N. Narayana Reddy and family, with footprints spread across Telangana and Andhra Pradesh. It has 46 warehouses (of which 12 are owned by AWSPL, 9 are leased from its Group companies and the remaining are leased from others) with an aggregate capacity of 55,37,200 square feet and an in-house fleet of 60 trucks to support its operations.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2023 (Rs. crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					September 28, 2023	June 30, 2022	-	March 03, 2021	January 29, 2021
1	Cash credit	Long Term	22.00	-	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	-	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Positive)
2	Non-fund based – Bank guarantee	Long Term/ Short Term	22.00	-	[ICRA]BBB+ (Stable)/ [ICRA]A2; withdrawn	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	[ICRA]BBB+ (Positive)/ [ICRA]A2	[ICRA]BBB+ (Positive)/ [ICRA]A2
3	Term loan	Long Term	38.60	Not available	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	-	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Positive)
4	Unallocated	Long Term	0.40	-	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	-	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Positive)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Cash credit	Simple
Non-fund based – Bank facilities	Very Simple
Term loans	Simple
Unallocated facilities	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#).

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	NA	NA	NA	22.00	[ICRA]BBB+ (Stable); withdrawn
NA	Bank guarantee	NA	NA	NA	22.00	[ICRA]BBB+ (Stable)/[ICRA]A2; withdrawn
NA	Term loan	FY2015/FY2021	NA	FY2023/FY2030	38.60	[ICRA]BBB+ (Stable); withdrawn
NA	Unallocated	NA	NA	NA	0.40	[ICRA]BBB+ (Stable); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis:

Company	Ownership	Consolidation Approach
Avanthi Warehousing Services Private Limited	100.00% (rated entity)	Full Consolidation
Saiyana Warehouse Private Limited	-	Full Consolidation
Farmers Fertilisers Mixing Company	-	Full Consolidation
NDR Warehousing Company	-	Full Consolidation
Kakatiya Enterprises	-	Full Consolidation
Amrutesh Enterprises	-	Full Consolidation
N. Narayana Reddy firm	-	Full Consolidation
Awaze Limited	-	Full Consolidation

Source: Company

ANALYST CONTACTS

Rajeshwar Burla
+91 40 4547 4829
rajeshwar.burla@icraindia.com

Abhishek Lahoti
+91 40 4547 4829
abhishek.lahoti@icraindia.com

Anupama Reddy
+91 40 4547 4829
anupama.reddy@icraindia.com

D Mohammed Rabbani
+91 40 4547 4829
d.rabbani@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2023 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.