



Rating Rationale

AB Chem (India)

16 April 2020

Brickwork Ratings downgrades the long-term and short-term ratings for the Bank Loan facilities of ₹ 97.00 Crores of AB Chem (India) based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (July 2019)	Present
Fund based Cash Credit	10.00	10.00	Long Term	BWR BBB/Stable	Issuer did not Cooperate; BWR D (Downgraded)
Non Fund Based ILC/FLC	87.00	87.00	Short Term	BWR A3+	Issuer did not Cooperate; BWR D (Downgraded)
Total	97.00	97.00	₹ Ninety Seven Crores Only		

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

Issuer did not cooperate; based on best available information

Ratings: Long term and Short term rating is Downgraded and place it under 'Issuer did not Cooperate'

Nature of Non-co-operation: The rating was due for a review in July 2020. But due to non receipt of monthly no-default statement (NDS), BWR followed up with the firm to submit the latest required information along with NDS but the firm has not provided the same. In the absence of adequate information and monthly NDS from the firm, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating. The lenders also confirmed over email that the conduct of account is not satisfactory and stands NPA (Non Performing Asset) as on date.

Limitations of the rating: Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.



About the Firm (Information as available in July 2019)

AB Chem (India) was incorporated as a partnership firm in 2007. It is a part of the Homeland group. The partners of the firm are Mr Bishnu Kumar, Mr Deepak Goyal, Ms Renu Jindal and Mr Umang Jindal (nephew of Mr Deepak Goyal) and profit sharing ratio is 20%, 20%, 40% & 20% respectively. The firm is engaged in the manufacturing of pesticides, insecticides and crop saving material, and has its manufacturing facilities in Sambha, Jammu. In addition to this, the firm is also engaged in high seas trading of edible oils, whereby it imports crude palm oil (CPO) and sells it to the domestic oil refining companies. Firm’s pesticides manufacturing unit has an installed capacity of about 16660 KL per annum and is being operated at 85-90% of its installed capacity.

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

Current Rating				Rating History								
15 April 2020				12 July 2019			21 May 2018			10 Mar 2017		
Facilities	Type	Amt Rs. Cr	Rating	Facilities	Amt Rs. Cr	Rating	Facilities	Amt Rs. Cr	Rating	Facilities	Amt Rs. Cr	Rating
FB	Long Term	10.00	Issuer did not Cooperate; BWR D	FB	10.00	BWR BBB/Stable	FB	10.00	BWR BBB /Stable	FB	10.00	BWR BBB/Stabl
NFB	Short Term	87.00	Issuer did not Cooperate; BWR D	NFB	87.00	BWR A3+	NFB	87.00	BWR A3+	NFB	87.00	BWR A3-

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

Any other information: Nil

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)



Firm's Financial Performance

Key Parameters	Units	2018	2017
Result Type		Audited	Audited
Operating Revenue	Rs. Crores	411.10	412.54
EBITDA	Rs. Crores	6.95	3.20
PAT	Rs. Crores	3.26	4.54
Total Capital	Rs. Crores	27.65	25.51
Total Debt/Total Capital	Times	1.18	1.95
ISCR	Times	2.23	3.80

Note: As per the information available with BWR

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