

RATING RATIONALE

16 April 2020

AB Chemicals India Pvt Ltd

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹45 Crores of AB Chemicals India Pvt Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (29 May 2019)	Present
Fund Based - CC	2.00	2.00	Long Term	BWR BBB-Stable	BWR D (Downgrade) Issuer Not Cooperating*
Non Fund Based LC/FLC	43.00	43.00	Short Term	BWR A3	
Total	45.00	45.00	Rupees Forty Five crores only		

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

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

NATURE OF NON-COOPERATION

BWR last rated the bank loan facilities of AB Chemicals India Pvt Ltd, amounting to Rs.45 crs in May 2019 at BWR BBB- (Stable)/BWR A3. The review of the rating is due in May 2020. BWR follows up with its clients for submission of NDS on a regular basis. However, the client has not been submitting the same. After contacting the lender on the status of conduct of the company's loan accounts, the lender reported that the accounts were irregular and were classified as NPA in Feb 2020. Rating action has been taken on this basis.

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.

COMPANY PROFILE (As available with BWR in May 2019)

AB Chemicals India Pvt Ltd (ABC) was incorporated in Sept 2012 at Bathinda, Punjab, and commenced

its business operations in Dec 2013. The company is a part of the “Homeland Group”, based in Bathinda which is engaged in the import of edible oil such as crude palm oil (CPO) etc. and sells in the domestic market on a high sea sale basis (80%) and merchant trading basis (20%). The company is promoted by Mr. Kapil Romana and Mr. Deepak Goyal.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NIL

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History								
				29 May 2019			05 Feb 2018			14 Mar 2017		
Bank Loans	FB	Rs.2 crs	BWR D (Downgrade) Issuer not Cooperating*	FB	Rs.2 crs	BWR BBB-Stable	FB	Rs.2 crs	BWR BBB-Stable	FB	Rs.2 crs	BWR BB+ Stable
	NFB	Rs.43 crs		NFB	Rs.43 crs	BWR A3	NFB	Rs.43 crs	BWR A3	NFB	Rs.43 crs	BWR A4+
		45.00	INR Forty Five crores Only									

*Issuer did not Cooperate. Based on the best available information.

ANNEXURE I

**AB Chemicals India Pvt 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	Canara Bank, Amrik Singh Road, Diwan Katia Square, Ludhiana	Cash Credit	2.00	NIL	2.00
2		LC/FLC	NIL	43.00	43.00
TOTAL			2.00	43.00	45.00

Rupees Forty Five crores Only

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](#)
- [Short Term Debt](#)

Analytical Contacts	Investor and Media Relations
<p>[Saurabh Agarwal] Primary Analyst [Board: +91 11 23412232] [saurabh.a@brickworkratings.com]</p> <p>[Ashwini Mital] Director – Ratings [Board: +91 172 5032295/96] [ashwinimital@brickworkratings.com]</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications M : +91 84339 94686 liena.t@brickworkratings.com</p>

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