



## Rating Rationale

AB Crops Pvt. Ltd.

14<sup>th</sup> March 2017

**Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of AB Crops Pvt. Ltd.**

### Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based Cash Credit	2.00	2.00	Long Term	BWR B + (BWR Single B Plus) (Reaffirmed) (Outlook Stable)	BWR B + (BWR Single B Plus) (Reaffirmed) (Outlook Stable)
Non-Fund Based FLC/ILC	22.00	22.00	Short Term	BWR A4 (BWR A Four) (Reaffirmed)	BWR A4 (BWR A Four) (Reaffirmed)
<b>Total</b>	<b>Rs. 24.00 Crores (Rupees Twenty Four Crores Only.)</b>				

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

### Rating Reaffirmed

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

The reaffirmation in the ratings takes into account the comfortable gearing profile with low debt exposure, extensive experience of promoters and significant business synergy and group support. The ratings are, however, constrained by small scale of operations along with declining top line growth, lower profitability margins inherent to its trading nature of business and exposure to risks arising from price risk, commodity risk and regulatory changes.

#### Rating Outlook: Stable

BWR believes the AB Crops Pvt. Ltd.'s 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

AB Crops Pvt. Ltd. (AB Crops) was incorporated in 2011 in Bathinda, Punjab. It is engaged in trading of edible and non-edible oils. It imports oil from South Asian countries such as Singapore, Malaysia etc. and also buys from domestic market. The Company sells the same to edible/non-edible refining companies in India.

### Company Financial Performance

Total operating income declined from Rs. 56.12 Cr in FY16 to Rs. 48.07 Cr in FY15. AB Crops reported PAT of Rs. 0.11 Cr in FY16 and in FY15.

### Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	07 March 2016	16 March 2015	2014
1	Cash Credit	Long Term	2.00	BWR B + (Reaffirmed) (Stable)	BWR B + (Reaffirmed) (Stable)	BWR B+ (Stable)	N.A
2	FLC/ILC	Short Term	22.00	BWR A4 (Reaffirmed)	BWR A4	BWR A4	N.A.

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entities](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
<a href="#">Ashwini Mital</a> Sr GM Ratings	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<b>Relationship Contact</b>
	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone: 1-860-425-2742</b>	



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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**

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.