RATING RATIONALE

17 Aug 2026

A. B. Enterprise

Brickwork Ratings withdraws the existing long-term rating for the Bank Loan Facilities of Rs. 6 crores and assigns the long-term rating of BWR BB+/Stable and short-term rating of BWR A4 for the bank loan facilities of Rs.24 crores, respectively, for A. B. Enterprise.

Particulars:

Facilities**	Amount (Rs. Crs.)		Tenure	Rating*		Regulator
	Previous	Present		Previous (19Jan2026)	Present	
Fund based	6.00	**0.00**	Long Term	BWR B+/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	**Withdrawal**	**RBI**
	0.00	**10.00**		-	**BWR BB+/ Stable/ Assignment**	**RBI**
Non Fund Based	0.00	**14.00**	**Short Term**	-	**BWR A4/ Assignment**	**RBI**
Total	6.00	**24.00**		**(Rupees Twenty-Four Crores Only)**		

Note:

*Please refer to BWR website **www.brickworkratings.**comfor the definition of the ratings

** Details of Bank Loan facilities is provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings has assigned the long-term and short-term ratings of BWR BB+ (Stable) and BWR A4 for the bank loan facilities of Rs. 24.00 Crores of A. B. Enterprise & simultaneously withdrawn the previous limit of Rs. 6.00 Crores from The Mehsana Urban Co-operative Bank because the company has submitted the No Dues Certificate from the bank.

For assigning the ratings, BWR has relied on the audited financials of the company up to FY25, provisional financials for FY26, projected financials for FY27-FY28, clarification provided by the company, and publicly available information.

Brickwork Ratings (BWR) has assigned the ratings of A. B. Enterprise, considering factors such as the Extensive experience of the promoters and capital structure.

The rating outlook is "Stable," reflecting BWR's expectation that A. B. Enterprise will sustain its business risk profile over the medium term. This outlook suggests a minimal probability of rating revision within the foreseeable future. Upward revision to "Positive" may be considered should revenue and profitability demonstrate sustained growth, while a "Negative" revision could be triggered by a deterioration in the financial risk profile.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED
There are standard covenants as per the sanction letter.

KEY RATING DRIVERS

Credit Strengths-:

1. Management Experience: The company operating under the executive leadership of Partners Mr. Aniket Pawar & Mrs. Subhangi Pawar with well experienced in this field. The partners has over 15 years of experience. The leadership team has a demonstrated history of successfully managing the company within the same industry domain.

2. Diversified Service Portfolio Reducing Revenue Concentration Risk:- Operations span manpower supply, mechanized and manual housekeeping, paramedical staffing, sanitation/waste management, and facility support — reducing dependence on any single service line and providing cross-selling opportunities within existing client accounts.

3. Reputed and Sticky Client Base Comprising Institutional/Government Clients:-
The firm's clientele includes hospitals, government departments, and municipal bodies, which typically award contracts through structured tendering processes and offer better revenue visibility, timely payment discipline (relative to private
clients), and high renewal rates once empanelled.

4. Asset-Light, Low Capital-Intensive Business Model:- As is characteristic of the manpower supply industry, the firm's operations require minimal investment in fixed assets, supporting healthier return ratios and limiting reliance on long-term debt; working capital borrowings (for wage disbursal ahead of client billing cycles) remain the primary funding requirement.

5. Scalability of Operations:- The business model allows for relatively quick scale-up in workforce deployment in response to new contract wins, without proportional lead time or capital investment, supporting revenue growth potential.

- **Credit Risks-:**

1. Working Capital-Intensive Operations:- Manpower suppliers must disburse wages to deployed staff monthly, while billing and collection from clients especially government/institutional clients often lags by 60 to 90+ days or more. This creates a structural funding gap that must be bridged through working capital borrowings, straining liquidity if collections slow down.

2. Thin Operating Margins:- Manpower supply is typically a low-margin, high-volume business (commission/markup over wage costs), leaving limited buffer to absorb cost escalations (minimum wage hikes, PF/ESI rate changes) or pricing pressure from competitive bidding.

3. Tender-Based Revenue Model and Renewal Risk:- Government/institutional contracts are typically awarded through competitive tendering with fixed tenures (1–3 years). Non-renewal, re-tendering losses, or aggressive undercutting by competitors at renewal stage pose recurring revenue risk.

4. Statutory and Regulatory Compliance Burden:- The business carries the obligation of ensuring timely compliance with labour laws, PF, ESI, minimum wages, and the new Labour Codes for a large, dispersed workforce. Any lapses can result in penalties, contract cancellation, or reputational damage with institutional clients.

5. High Dependence on Availability of Skilled/Unskilled Labour:- Ability to service large contracts depends on continuous availability of manpower; labour shortages, high attrition, or wage inflation in the region could affect service delivery and profitability

ANALYTICAL APPROACH- Standalone
BWR has considered the standalone approach

APPLICABLE RATING CRITERIA
- **General Criteria**
- **Approach to financial ratios**
- **Service Sector Company**
- **Short Term Debt**
- **BWR Withdrawal Policy**

RATING SENSITIVITIES
Going forward, the company's ability to manage the working capital efficiently, improve the scale of operations, and improve and maintain profitability, along with the debt servicing capability and liquidity, will be key rating sensitive.

Positive:

- A significant improvement in the scale of operations TOI above Rs. 240 Cr, operating margins of over 9% and net margin of over 6.5% on a sustained basis.

- Conversion of the partnership firm into a corporate entity (Private Limited/Limited Company), resulting in improved governance and reduced partnership constitution risk.

Negative:

- The rating may be downgraded if there is further deterioration in the financial risk profile, a significant decline in revenue, with operating margins dropping below 7%, and net margin below 5.50%.

- Any increase in leverage, with TOL/TNW deteriorating above 2.0x, indicating weakening of capital structure

- Significant withdrawal of capital by partners or any adverse change in the partnership constitution affecting the financial risk profile.

LIQUIDITY INDICATORS- Adequate
Bank limit utilization averaged at 73.55% during the past 6 months ended June 2026. Gross cash accruals are Rs. 15.05 crores against the the current portion long term debt (CPLTD) which stands at Nill in FY26. In addition, the company does not have any major capex plans in next 2-3 years, which will act as a cushion to the liquidity. The current ratio is at around 1.78 times on March 31, 2026.

COMPANY's / FIRM' PROFILE

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Consumer Services	Other Consumer Services	Other Consumer Services

Established in July 2009, A.B. Enterprise is a partnership firm involved in the business of manpower supply and contracting services. The firm is a well-established name in providing paramedical staff to various hospitals across Gujarat, Uttar Pradesh, Rajasthan, Maharashtra, Haryana, and Delhi, as well as manpower for housekeeping, security, Urban Sanitation & Solid Waste Services, and road cleaning services to residential societies and municipal corporations. Mr. Aniket Pawar and Mrs. Subhangi Pawar are the partners of the firm, with 15 years of experience.

ESG Profile
The company's ESG profile demonstrates a Evolving profile across environmental, social, and governance dimensions, aligned with the operational characteristics of the services sector.

Environmental: The environmental impact of the manpower supply industry is generally limited compared to manufacturing industries. However, companies can contribute to environmental sustainability by promoting paperless operations through digital HR and payroll systems, reducing energy consumption in offices, encouraging the use of public transportation or carpooling for employees, implementing waste management practices, and complying with applicable environmental regulations at their operational locations. Companies may also encourage clients and employees to adopt environmentally responsible practices wherever feasible.

Social: The social aspect is a key component of the manpower supply industry, as its core business revolves around human resources. Companies are expected to ensure fair recruitment practices, timely payment of wages, compliance with labor laws, and provision of statutory benefits such as PF, ESI, gratuity, and insurance. Maintaining employee health and safety, providing skill development and training programs, promoting diversity, equity, and inclusion, preventing discrimination and harassment, and establishing effective grievance redressal mechanisms contribute to employee welfare and enhance workforce productivity. Ethical treatment of employees and maintaining positive client relationships are also critical to long-term business success.

Governance: Strong corporate governance is essential for ensuring transparency, accountability, and regulatory compliance in the manpower supply industry. Companies should establish robust internal controls over payroll, attendance, statutory compliances, and financial reporting. Adherence to labor laws, tax regulations, and contractual obligations, along with maintaining ethical business practices and anti-bribery policies, helps mitigate legal and reputational risks. Regular internal audits, risk management frameworks, data privacy measures for employee information, and oversight by the Board of Directors and senior management strengthen governance practices and support sustainable business growth.

KEY FINANCIAL INDICATORS

Key Parameters	Unit	FY 23-24	FY 24-25	FY 25-26
Result Type		**Audited**	**Audited**	**Provisional**
Operating Income	Rs. Crs	141.49	168.84	223.91
EBITDA	Rs. Crs	7.15	8.33	18.67
PAT	Rs. Crs	6.63	9.3	14.51
Tangible Net Worth	Rs. Crs	15.7	19.39	30.65
Total Debt/Tangible Net Worth (Adjusted)	Times	0.37	0.52	0.45
Current Ratio	Times	1.32	1.43	1.78

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY-
No outstanding ratings with other CRAs.

ANY OTHER INFORMATION- Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

Facilities	Current Rating (2026)			2026		2025		2024	
Type	**Tenure**	**Amount (Rs.Crs.)**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund Based	Long-term	6	Withdrawal	19-Jan-2026	BWR B +/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	16-Jan-2025	BWR BB-/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	18-Jan-2024	BWR BB /Stable ISSUER NOT COOPERATING* /Downgrade
		10	BWR BB+/Stable (Assignment)	-	-	-	-	-	
Non-Fund Based	Short-term	14	BWR A4 (Assignment)	-	-	-	-	-	-
Grand Total		24	(Rupees Twenty-Four Crores Only)						

Analytical Contacts	
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A. B. Enterprise

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the instrument*
1	Indusind Bank	Overdraft - Others Sanctioned	10.00	-	10.00	Simple
2	Indusind Bank	Performance Bank Guarantee - PBG-Sanctioned	-	14.00	14.00	Simple
	Total		**10.00**	**14.00**	**24.00**	**Simple**

***For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf**

ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

Instrument	Issue Date	Amount [Rs.Crs.]	Coupon Rate	Maturity Date	ISIN Particulars	Complexity of the instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III
List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil

Annexure IV : List of instruments and names of regulators of the instruments

A.	Rating activities	
Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs,HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

*** Includes securitisation transactions involving assignee payout, acquirer's payout.**
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon

issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable.
The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.
Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

B	Other Activities	Regulator of the Instruments
1	Monitoring Agencies	SEBI
2	Research activities incidental to rating such as research for Economy, Industries and Companies *	NA

***permitted by SEBI vide SEBI Master Circular for CRAs**

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com**. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available
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BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committee or review, discuss or evaluate any credit rating during the Board meetings.

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Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.

Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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