



RATING RATIONALE

26 Sep 2019

AB Grain Spirits Pvt Ltd

Brickwork Ratings reaffirms the rating for the Bank Loan Facilities of ₹ 231 Crs of AB Grain Spirits Pvt Ltd based on best available information, as the issuer did not cooperate.

Particulars

| Facility | Amount (₹ Cr) | | Tenure | Rating# | |
|----------------|---------------|---------|---|----------------------|---|
| | Previous | Present | | Previous (Feb, 2018) | Present |
| Fund Based | 203 | 203 | Long Term | BWR BB+ (Stable) | BWR BB+ (Stable) ISSUER NOT COOPERATING* |
| Non Fund Based | 28 | 28 | Short Term | BWR A4+ | BWR A4+ ISSUER NOT COOPERATING* |
| Total | 231 | 231 | INR Two Hundred Thirty One Crores Only. | | |

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

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

Details of Bank facilities is provided in Annexure-I

RATING ACTION / NATURE OF NON-COOPERATION

BWR had assigned previous Rating of BWR BB+(Stable)/A4+ to AB Grain Spirits Pvt Ltd. for the loan facilities of Rs. 231 Cr on 21 Feb 2018 and subsequently Rating was moved to rating not reviewed category in 22 May,2019 for want of required information.

The rating was due for a review in Feb,2019. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at



least the minimum required information for a review, the entity has not provided the same. Hence, in the absence of adequate information from the issuer/Company., BWR is unable to assess the issuer's/Company's current complete financial performance and its ability to service its debt and maintain a valid rating.

Hence, on account of the limited available information and lack of management cooperation, BWR have migrated the rating to BWR BB+(Stable)/4+ : ISSUER NOT COOPERATING

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-co-operation by the rating entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS [As available with BWR in Feb2018]

| Key Parameters | Units | FY 16(A) | FY 17(A) |
|----------------------|-----------|----------|----------|
| Result Type | | Audited | Audited |
| Operating income | Rs Crores | 404.62 | 453.49 |
| EBITDA | Rs Crores | 40.30 | 40.69 |
| Net Profit | Rs Crores | 6.55 | 5.24 |
| Net Worth | Rs Crores | 53.33 | 63.79 |
| Total Debt/Net Worth | Times | 2.80 | 2.40 |

COMPANY PROFILE [As available with BWR in Feb 2018]

AB Grain Spirits Pvt Ltd (ABGSPL), was incorporated in Jan 2005. ABGSPL manufactures, packages and distributes Extra Neutral Alcohol (ENA), Rectified Spirit (RS), Indian Made Foreign Liquor (IMFL) and Punjab Medium Liquor (PML). The company is a part of the Late Mr. Hardeep Chadha Group. The company manufactures under its brand Patiala Peg & Master Moments and also some local country liquor. The company manufactures quality spirit, which it supplies across Africa, the Mediterranean and Indian subcontinents. In India, USL – Diageo,



Pernod Ricard, Allied Blenders & Distillers are some of their many valued customers. Company is also operating Private Stage Carriage Services in Delhi/ NCR for the Government of National Capital Territory of Delhi (GNCTD).

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : NA

RATING HISTORY

| Instrument / Facilities | Current Rating | | | Rating History | | | |
|-------------------------|----------------|---------------|---|---------------------|-------------------|-----------------|------|
| | Tenure | Amount (₹ Cr) | Rating | May 2019 | Feb, 2018 | Feb 2017 | 2016 |
| Fund Based | Long Term | 203 | BWR BB+ (Stable) Issuer Not Cooperating | Rating Not reviewed | BWR BB+ (Stable) | BWR BB (Stable) | NA |
| Non Fund Based | Short Term | 28 | BWR A4+ (Stable) Issuer Not Cooperating | | BWR A4+ | BWR A4+ | |
| Total | | 231 | INR Two Hundred Thirty One 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](#)
- [Manufacturing Companies](#)
- [What constitutes Client Non-Cooperation](#)

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ANNEXURE I

AB Grain Spirits 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 | Oriental Bank of Commerce(OBC) | Working Capital | 48.50 | - | 48.50 |
| | | Term Loan | 35.70 | - | 35.70 |
| | | Non Fund Based | - | 13.00 | 13.00 |
| 2 | Punjab & Sind Bank (PSB) | Working Capital | 14.00 | - | 14.00 |
| | | Term Loan | 22.30 | - | 22.30 |
| | | Non Fund Based | - | 15.00 | 15.00 |
| 3. | OBC & PSB | Term Loan under Disbursement | 52.17 | - | 52.17 |
| 4. | Unallocated/ | Term Loan/WC | 30.33 | - | 30.33 |



| | | | | | |
|--------------|----------|--|--|--|---------------|
| | Proposed | | | | |
| TOTAL | | | | | 231.00 |

Total INR Two Hundred Thirty One Crores Only

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