



Rating Rationale

AB Grain Spirits Private Limited

14th Feb 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of AB Grain Spirits Private Limited.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based			
Term Loan	130.71	Long Term	BWR BB (Pronounced as BWR Double B) Outlook: Stable
Cash Credit*	91.29		
Packing Credit*	(10.00)	Short Term	BWR A4+ (Pronounced as BWR A Four Plus)
Non Fund Based			
BG/LC	28.00		
Total	250.00	INR Two Hundred and Fifty Crores Only.	

- Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
- CC facilities include proposed amount of Rs 26.29 Crores & Packing Credit is fully interchangeable with CC

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financials up to FY 16, projected financials upto FY18, publicly available information and Information & Clarifications provided by the company's management.

The rating has inter alia factored in, experienced management, reputed customer and supplier base with efficient management of working capital. The rating draws comfort from the group support to the company provided by the group companies namely Adie Broswon Breweries Pvt Ltd, Great Value Fuels Pvt Ltd. And Chadha Sugars & Industries Pvt Ltd . However, the rating is constrained by weak financial risk profile, low profitability margins, stagnant operating income since last 3 years. Going forward achieving of projected revenues for FY17 would be key rating sensitivity.

Rating Outlook: Stable

BWR believes the AB Grain Spirits Private Limited 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.

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About the Company

AB Grain Spirits Private Limited (AGSPL) was constituted as a private limited company which started its operations in 2007-2008. The company manufactures and packages of Extra Neutral Alcohol, Rectified Spirit, Indian Made Foreign Liquor. AGSPL is also operating private stage carriage services in Delhi / NCR. The government of National Capital Territory of Delhi and the company have entered into the concessionaire agreement. The manufacturing unit of the company is located in Village Kiri Afgana, Tehsil Batala, Distt Gurdaspur (Punjab) and the Corporate Office of the company is located in Ambience Mall NH-8, Gurgaon, Haryana.

The company belongs to Late Mr. Hardeep Chadha Group and presently being managed by Mrs Jasdeep Kaur Chadha wife of late Mr. Hardeep Chadha.

Company Financial Performance

The company's revenue stood at Rs. 404.62 Crores for FY16 as against Rs. 409.82 Crores in FY15. The company has achieved PAT of Rs. 6.55 Crores in FY16 as against a PAT of Rs. 1.34 Crores in FY15.

Rating History for the last three years:

Sl. No.	Facility*	Current Rating (January 2017)			Rating History		
		Type	Amount (Rs Cr)	Rating	2016	2015	2014
1	Term Loan	Long Term	130.71	BWR BB Outlook: Stable	NA	NA	NA
2	Cash Credit*		91.29				
3	Packing Credit*	Short Term	(10.00)	BWR A4+			
4	BG/LC		28.00				

*CC facilities include proposed amount of Rs 26.29 Crores & Packing Credit is fully interchangeable with CC

Status of non-cooperation with previous CRA: CARE has suspended the company's rating vide its press release dated December 31, 2016 on account of non-cooperation by the client in providing the required information to complete the review process.

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Sector](#)
- [Short Term Debt](#)
- [Manufacturing Sector](#)



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For print and digital media

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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 Investors queries can be sent to 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

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