



Rating Rationale

AB Infra Investments Private Limited

30 March 2019

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹ 48 Crores of AB Infra Investments Private Limited ('AB Infra' or 'the Company').

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Nov, 2017)	Present
Fund based Cash Credit	2.00	2.00	Long Term	BWR BB (Pronounced as Double B) Outlook: Stable	BWR D (Pronounced as BWR Single D) (Downgrade)
Non Fund Based LC/BG	46.00	46.00	Short Term	BWR A4 (Pronounced as BWR A Four)	BWR D (Pronounced as BWR Single D) (Downgrade)
Total	48.00	48.00	INR Forty Eight Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings: Downgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the Company's audited financials up to FY18, publicly available information, lenders feedback and clarification provided by the Company's management.

BWR has received information from the Company's lender regarding the conduct of the Company's account. The lender has confirmed that there is an instance of devolvments in a letter of credit due to liquidity issues faced by the Company. Presently, the cash credit has been debited due to LC devolvement and thus stands it irregular. Hence, the ratings assigned to the Company's long term and short term bank loan facilities are being downgraded to 'BWR D'



Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

About the Company

AB Infra Investments Pvt. Ltd. (ABI) was incorporated in 2013 at Bathinda, Punjab, and commenced its business operations in February 2014. ABI is engaged in the trading of edible oil such as crude palm oil, soya bean oil, RBD (Refined, Bleached & Dried) etc. by importing the same from overseas markets and selling in the domestic markets on high sea sales basis. It sells domestically (pan India) to the cooking oil refining companies through agents/brokers. The Company is promoted by Mr. Kamal Kumar and Mr. Gagandeep Garg. The Company belongs to the Homeland Group which comprises of diversified businesses including trading of edible oils, agro based business, pesticides etc.

Company Financial Performance

AB Infra Investments P. Ltd. has reported a total revenue of Rs. 123.32 Cr in FY18 as against Rs. 122.66 Cr in FY17. It has reported a net loss of Rs. 0.30 Cr in FY18 as against Rs. 0.28 Cr in FY17. As on 31st March 2018, it has reported a tangible net worth of Rs. 7.39 Cr against Rs. 7.09 Cr as on 31 March 2017.

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2019)			Rating History		
		Type	Amount (₹ Crs)	Rating	28 Nov 2017	14 Mar 2017	28 April 2016
1.	Fund Based Cash Credit	Long Term	2.00	BWR D (BWR Single D) (Downgrade)	BWR BB (BWR Double B) (Outlook Stable)	BWR BB (BWR Double B) (Outlook Stable)	BWR BB (BWR Double B) (Outlook Stable)
2	Non Fund Based LC/BG	Short Term	46.00	BWR D (BWR Single D) (Downgrade)	BWR A4 (BWR A Four)	BWR A4 (BWR A Four)	BWR A4 (BWR A Four)
Total			48.00	INR Forty Eight Crores Only			

Status of non-cooperation with previous CRA (if applicable)- N.A.

Any other information: Nil

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type		Audited	Audited
Operating Revenue	Rs. Cr	123.32	122.66
EBITDA	Rs. Cr	1.97	1.79
PAT	Rs. Cr	0.30	0.28
Tangible Net worth	Rs. Cr	7.39	7.09
Total Debt/Tangible Net worth	Times	1.58	1.82
ISCR	Times	1.36	1.32

Annexure I - Details of bank loan facilities/instruments

ISIN	Instrument/Facility	Date of Sanction/Renewal	Coupon Rate	Maturity Date	Amt. in Rs. Cr	Current Rating & Outlook
-	Fund Based Cash Credit	-	-	-	2.00	BWR D
-	Non Fund Based ILC/FLC/BG	-	-	-	46.00	BWR D

Hyperlink/Reference to applicable Criteria

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



For any other criteria obtain hyperlinks from website

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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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.



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.