



## Rating Rationale

AB Infra Investments Pvt. Ltd.

14<sup>th</sup> March 2017

**Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of AB Infra Investments 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 BB (BWR Double B) (Outlook Stable)	BWR BB (BWR Double B) (Reaffirmed) (Outlook Stable)
Non-Fund Based FLC/ILC	34.00	46.00	Short Term	BWR A4 (BWR A Four)	BWR A4 (BWR A Four) (Reaffirmed)
<b>Total</b>	<b>Rs. 48.00 Crores (Rupees Forty Eight 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 significant improvement in its topline growth, extensive business experience of the promoters of the Homeland Group, group support besides satisfactory feedback from the lender. The ratings are, however, constrained by moderate scale of operations, lower profitability margins inherent to its trading nature of business, high gearing profile along with no tangible net worth of the company and exposure to risks arising from price risk, commodity risk and regulatory changes.

#### Rating Outlook: Stable

BWR believes the AB Infra Investments 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 Infra Investments Pvt. Ltd. (ABI) was incorporated in 2013 at Bathinda, Punjab, and commenced its operations in February 2014. The Company is engaged in the trading of edible oils such as crude palm oil, soya bean oil, RBD (Refined, Bleached & Dried) Palmolein etc. It imports oil from South Asian countries such as Singapore, Malaysia etc. and also buys from the domestic markets. The Company sells the same to edible/non-edible refining companies in India.

### Company Financial Performance

Total operating income significantly increased from Rs. 61.88 Cr in FY15 to Rs. 94.71 Cr in FY16. ABI reported PAT of Rs. 0.27 Cr in FY16 vis-à-vis Rs. 0.13 Cr 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	28 April 2016	13 March 2015	2014
1	Cash Credit	Long Term	2.00	BWR BB (Reaffirmed) (Stable)	BWR BB (Upgraded) (Stable)	BWR BB – (Stable)	N.A
2	FLC/ILC	Short Term	46.00	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

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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](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.