

Rating Rationale

AB World Trade Pvt. Ltd.

28th March 2017

Brickwork Ratings revises the ratings for the Bank Loan Facilities of AB World Trade Pvt. Ltd.

Particulars

| Facility Rated | Amount (Rs. Crs) | | Tenure | Rating * | |
|---------------------------|--|---------|---------------|--|--|
| | Previous | Present | | Previous | Present |
| Fund Based Cash Credit | 4.50 | 4.50 | Long Term | BWR B+ (BWR B Plus) (Outlook Stable) | BWR BB – (BWR Double B Minus) (Outlook Stable) (Upgraded) |
| Non-Fund Based FLC/ILC | 10.00 | 15.00 | Short Term | BWR A4 (BWR A Four) | BWR A4 (BWR A Four) (Reaffirmed) |
| Total | Rs. 19.50 Crores (Rupees Nineteen Crores and Fifty Lakhs Only.) | | | | |

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

Rating Upgraded/Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The ratings revise takes into account the significant improvement in its scale of operations; reflected an increase in turnover and profitability during FY16, diversification into new products in the current year and continues to draw comfort from its group support of the Bhatinda based Homeland Group along with satisfactory feedback from the lenders. The ratings are, however, constrained by lower profitability margins and exposure to risks arising from price risk, commodity risk and regulatory changes.



Rating Outlook: Stable

BWR believes the AB World Trade 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 World Trade Pvt. Ltd. (ABT) was incorporated in February 2013 at Bathinda, Punjab, and commenced its operations in November 2014. The Company is engaged in the trading of edible oils such as crude palm oil, soya bean oil etc. ABT imports crude palm oil and soya bean oil from overseas markets and sells it on high seas sale basis. ABT also diversified into new products such as RBD oilien & sunflower oil in the current year.

Company Financial Performance

ABT reported a topline of Rs. 50.40 Crs in FY16 as against Rs. 15.83 Crs in FY15. PAT improved from Rs. 0.06 Cr in FY15 to Rs. 0.09 Cr in FY16. The total tangible networth of the company stood at Rs. 2.17 Crs during FY16.

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 | 07 March 2016 | 27 March 2015 | 2014 |
| 1 | Cash Credit | Long Term | 4.50 | BWR BB – (Stable) (Upgraded) | BWR B+ (Stable) (Reaffirmed) | BWR B+ (Stable) | N.A |
| 2 | FLC/ILC | Short Term | 15.00 | BWR A4 (Reaffirmed) | BWR A4 (Reaffirmed) | BWR A4 | N.A. |

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Trading Entities](#)
- [Approach to Financial Ratios](#)
- [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 ₹ 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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