

Rating Rationale

Greenglobe Fuel Solutions

17th July 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 26.31 crs of Greenglobe Fuel Solutions (“GFS” or “the firm”)

Particulars

Bank Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u>			
Cash Credit	6.00	Long Term	BWR BB (Pronounced as BWR Double B) Outlook: Stable
*Term Loan	1.31		
<u>Non-Fund Based</u>			
Sub Limit_Book Debt	(3.50)	Short Term	BWR A4 (Pronounced as BWR A Four)
PC/PCFC/FDB/FBF/BRD	9.00		
ILC/FLC/BG	10.00		
Total	Rs. 26.31 Crores (Rupees Twenty Six Crores and Thirty one Lakhs Only)		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Outstanding amount of term loan as on 20th May 2017

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results of the firm up to FY16, provisional financials for FY17, Projections upto FY19 and publicly available information and information/clarifications provided by the management.

The rating has factored, inter alia, the promoters’ experience in the industry, favourable market position, long standing relationship with reputed and diversified clientele and diversified product portfolio. The rating however is constrained on account of the highly regulated nature of industry, Stringent quality standards, moderate net worth, working capital intensive nature of operations and inherent risk associated with partnership concerns.

Going forward, the ability of the firm to raise the required capital, improve financial performance and efficient working capital management would be key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Greenglobe Fuel Solution'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 Firm

Greenglobe Fuel Solution (GSF) was started as proprietorship concern in the year 2004 and later converted into partnership firm in the year 2008 at Mumbai, Maharashtra. The firm is engaged in the production, trading and installation of complete range of CNG Components, Gas Pressure Regulators, Reducing Valves, Meters, CNG Regulators etc. GSF is also having retro-fitment Center for CNG Conversions in Automobiles and CNG Cylinder Testing Station. Mr. Paresh Vira, Ms. Hetal Vira and Ms. Bharti Vira are the partners of the firm. Mr. Paresh Vira is managing partner of the firm with 25 years of experience in CNG and auto ancillary industry.

Financial Performance

As per audited financial statement of FY16, the firm has reported total operating income of Rs. 37.66 Crs and PAT of Rs.0.76 Crs against total operating income of Rs. 21.05 crs and PAT of Rs. 0.26 crs in FY15 .

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
	Cash Credit	Long Term	6.00	BWR BB (Pronounced as BWR Double B) Outlook: Stable	-	-	-
	Term Loan		1.31		-	-	-
	Sub Limit_Book Debt	Short Term	(3.50)	BWR A4 (Pronounced as BWR A Four)	-	-	-
	PC/PCFC/FDB/FB F/BRD		9.00		-	-	-
	ILC/FLC/BG		10.00		-	-	-

Status of non-cooperation with previous CRA (if applicable): NA

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [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

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.