



Press Release

AB Udyog Private Limited

August 14, 2024

Ratings

Security/Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	30.85 (Including proposed limit of Rs. 1.85 crore)	IVR BB+; Negative, ISSUER NOT CO- OPERATING* (IVR Double B plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB-; Stable (IVR Triple B minus with Stable Outlook)	Downgraded with revision in outlook from 'Stable' to 'Negative' and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	1.15	IVR A4+, ISSUER NOT COOPERATING* (IVR A Four plus; ISSUER NOT COOPERATING)	IVR A3 (IVR A Three)	Downgraded and moved to ISSUER NOT COOPERATING category	Simple
Total	32.00 (Rupees thirty- two crore only)				

*Issuer did not cooperate; based on best available information

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities of AB Udyog Private Limited (ABUPL) because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk.

Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The outlook remains negative due to information availability risk.



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The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics Ratings has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated May 03, 2024, May 24, 2024, June 12, 2024, July 02, 2024, and July 15, 2024, concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the fees and essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information. Accordingly, the bank facilities of AB Udyog Private Limited aggregating to Rs.32.00 crore shall be moved under the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Manufacturing companies](#)

[Policy of default recognition](#)

[Criteria of assigning Rating outlook](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria on complexity](#)

Liquidity: Unable to comment due to non-availability of information despite repeated follow ups.

About the Company

Incorporated on March 07, 2017, AB Udyog Private Limited (ABUPL) was promoted by Mr. Shekhar Agrawal and Mr. Subhash Chand Bansal. The company has set up its manufacturing



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unit at Burdwan, West Bengal with an installed capacity of 300 Metric Tons Per Day [MTPD] and refinery plant with a capacity of 100 MPTD.

The company is primarily engaged in the business of processing, extracting and refining of Edible oils mainly rice bran oil. The business process involves purchase of rice bran, then refining, packaging, and selling of the edible oil.

The company is mainly in B2B business. However, the company has also started selling its product through retail stores under Brand name 'Jeevan Rekha'.

Financials (Standalone): Latest information not available

For the year ended / As on	(Rs. crore)	
	31-03-2022	31-03-2023
	Audited	Provisional
Total Operating Income	372.77	343.30
EBITDA	9.24	7.30
PAT	4.00	2.40
Total Debt	37.48	42.50
Tangible Net worth	24.98	26.81
EBITDA Margin (%)	2.48	2.13
PAT Margin (%)	1.07	0.70
Overall Gearing Ratio (x)	1.16	1.29
Interest Coverage Ratio (x)	4.17	3.13

**Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Care Edge ratings vide its press release dated November 10, 2023, has moved the rating to issuer not cooperating category due to non-submission of information for monitoring of the rating and had not paid surveillance fees for the rating exercise.

Brickworks Rating vide its press release dated May 15, 2024, has moved the rating to issuer not cooperating category due to non-submission of information and non-submission of monthly No Default Statement.

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					June 30, 2023		
1.	Cash Credit	Long Term	29.00	IVR BB+; Negative; ISSUER NOT CO-OPERATING*	IVR BBB-; Stable	-	-
2.	Cash Credit – Proposed	Long Term	1.85	IVR BB+; Negative; ISSUER NOT CO-OPERATING*	IVR BBB-; Stable	-	-
3.	Inland Bank Guarantee	Short Term	1.00	IVR A4+; ISSUER NOT CO-OPERATING*	IVR A3	-	-
4.	Forward Contract	Short Term	0.15	IVR A4+; ISSUER NOT CO-OPERATING*	IVR A3	-	-

* Issuer did not cooperate; based on best available information

Name and Contact Details of the Rating Analyst:

Name: Avik Podder

Tel: (033) 4803 3621

Email: apodder@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).



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Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility / Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	29.00	IVR BB+; Negative, ISSUER NOT CO-OPERATING*
Cash Credit – Proposed	-	-	-	-	1.85	IVR BB+; Negative, ISSUER NOT CO-OPERATING*
Inland Bank Guarantee	-	-	-	-	1.00	IVR A4+; ISSUER NOT COOPERATING



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Forward Contract	-	-	-	-	0.15	IVR A4+; ISSUER NOT COOPERATING
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** Issuer did not cooperate; based on best available information*

Annexure 2: Facility wise lender details: Not Available

Annexure 3: Detailed explanation of covenants of the rated Security / Instrument: Not Applicable

Annexure 4: List of companies considered for consolidated /combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at <https://www.infomerics.com>.