

November 08, 2023

Abco Steel International Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term: Fund-Based – Cash Credit	11.00	11.00	[ICRA]BB(Stable); withdrawn
Long Term: Fund-Based-Working Capital Term Loan	2.50	2.50	[ICRA]BB(Stable); withdrawn
Long term: Term loan	0.84	0.84	[ICRA]BB(Stable); withdrawn
Short term: Non-Fund Based Facilities	2.00	2.00	[ICRA]A4+; withdrawn
Long term: Unallocated Limits	2.66	2.66	[ICRA]BB(Stable); withdrawn
Total	19.00	19.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Abco Steel International Private Limited at the request of the company, and upon receipt of No Objection Certificate (NOC) from the bankers, which is in accordance with ICRA's policy on withdrawal of credit rating. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Ferrous Metals Industry ICRA Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/standalone	Standalone

About the company

Incorporated in 1997, ABCO trades in various steel products, which include thermo-mechanically treated (TMT) bars, structural steel products like channels, beams, angles and sheet plates. Its head office is in Udupi, Karnataka and has a branch in Mangalore, Karnataka. ABCO is a part of the ABF Group, which has 12 companies with diversified businesses including shipping and logistics, engineering, steel and leather trading in India, Middle East and China.

Key financial indicators (audited)

Standalone	FY2021	FY2022
Operating income	65.8	91.3
PAT	0.9	0.7
OPBDIT/OI	2.1%	1.5%
PAT/OI	1.4%	0.7%
Total outside liabilities/Tangible net worth (times)	1.7	1.8
Total debt/OPBDIT (times)	10.5	9.0
Interest coverage (times)	1.5	1.6

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Amount outstanding as on March 31, 2023 (Rs. crore)	Date & rating		Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021
				November 08, 2023	Jan 09, 2023	Nov 09, 2022	Sep 15, 2022	Jun 28, 2021	-
1 Fund Based-Cash Credit	Long-term	11.00	-	[ICRA]BB(Stable); withdrawn	[ICRA]BB (Stable)	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	[ICRA]BB (Stable)	-
2 Fund Based-Working capital Term Loan	Long-term	2.50	-	[ICRA]BB(Stable); withdrawn	[ICRA]BB (Stable)	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	-	-
3 Term Loan	Long-term	0.84	-	[ICRA]BB(Stable); withdrawn	[ICRA]BB (Stable)	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	[ICRA]BB (Stable)	-
4 Non-Fund Based Facilities	Short-term	2.00	-	[ICRA]A4+; withdrawn	[ICRA]A4+	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A4+	[ICRA]A4+	-
5 Unallocated	Long-term	2.66	-	[ICRA]BB(Stable); withdrawn	[ICRA]BB (Stable)	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	[ICRA]BB (Stable)	-

Amount in Rs. Crore, Note: The company has not shared the amount of term loan outstanding as on March 31, 2023

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund based – Cash Credit	Simple
Long Term – Fund Based – Term Loan	Simple
Long term: Term loan	Simple
Short term: Non-fund-based facilities	Very Simple
Long term: Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long term – Fund based -Cash Credit	-	-	-	11.00	[ICRA]BB(Stable); withdrawn
NA	Long term – Fund based -Working Capital Term Loan	Dec 2021	-	Dec 2026	2.50	[ICRA]BB(Stable); withdrawn
NA	Long Term-Term Loan	Sep 2021	-	Aug 2024	0.84	[ICRA]BB(Stable); withdrawn
NA	Short Term-Non-Fund Based Facilities	-	-	-	2.00	[ICRA]A4+; withdrawn
NA	Long Term- Unallocated	-	-	-	2.66	[ICRA]BB(Stable); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not applicable

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