

June 14, 2010

CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITY OF ABHIJEET INFRASTRUCTURE LTD (FOR ENHANCED AMOUNT)

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Remarks
Long term bank facility	35.3 (enhanced from 15.3)	'CARE BBB' (Triple B)	Retained

Rating rationale

The rating continues to draw strength from considerable experience of the promoter group, comfortable financial position and current favourable outlook of the steel industry. The rating is however constrained by AIL's small scale of operation, substantial exposure to group and associate companies, volatility in input prices and cyclical nature in the steel industry alongwith increasing competition from unorganised sector. Improvement in demand of steel industry in the medium to long term, ability of the company to scale up its operation and future trend in key raw material prices are the key rating sensitivities.

Company Profile

Abhijeet Infrastructure Ltd. (AIL), incorporated in July, 1984 and belonging to Abhijeet group of Nagpur, is currently engaged in processing of C.I. scrap at Bhilai and trading of steel related items. The company also provides contract services in the form of finished goods handling, screening, sorting, raw material handling and other allied business services.

Out of a total income of Rs.60.7 crore (P.Y Rs.122.6 crore), AIL earned a PAT of Rs.8.4 crore (P.Y. Rs.7.0 crore) in FY09.

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¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

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