



Rating Rationale

AL-Sameer Exports Pvt. Ltd.

23JAN2019

Brickwork Ratings assigns the ratings for the bank loan facilities of AL-Sameer Exports Pvt. Ltd.

Particulars

Facility Rated	Current Review Amount (Rs. Crs)	Tenure	^Current Rating
Fund Based Term Loan(o/s)	0.03	Long Term	BWR BBB (Pronounced as BWR Triple B) Outlook : Stable
Fund Based PC	35.00	Short Term	
Fund Based FOBP/FOUBP/FABC/ FOBNLC	4.00	Short Term	BWR A3+ (Pronounced as BWR A Three Plus)
Total	Rs 39.03 Cr (Thirty Nine crores and Three lakh Only)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR principally relied upon audited financials upto FY 18, projections upto FY20, publicly available information and information/clarification provided by the management.

While reviewing the rating of *AL-Sameer Exports Pvt. Ltd.* (MAPPL or ‘the company’), BWR has factored in promoter’s experience in the meat processing business, improved turnover in FY18, moderate and improved financials in FY18. The rating is, however, constrained by inherent risk associated with the meat processing industry, currency fluctuation risk, beside competition from the peers could affect the profit margins in future.

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Credit Strengths :

- **Experienced Promoters** :Company is being managed and promoted by Mohd Shameem Qureshi and wife Mrs Naaz Shameem having experience of more than a decade in the same line of business.
- **Improved Turnover** : Total operating income(TOI) has improved significantly from Rs 311.26 Cr in FY17 to Rs 577.02 Cr in FY18 and PAT has improved from Rs 14.26 Cr in FY17 to Rs 16.71 Cr. Company has achieved turnover of Rs 642.45 Cr for 9MFY19.
- **Solvency position and Current Ratio** : Gearing(Total debt/TNW) of the company is robust at 0.14X as on FY18 with the net worth at Rs 61.10 Cr. It has comfortable current ratio at 1.63X as on FY18
- **Moderate Debt protection Metrics**: ASEPL has a comfortable ISCR at 12.79 in FY18.
- **Profit margins** : Net profit margin has decreased from 4.49% in FY17 to 2.85% in FY18 and operating profit margin has come down from 6.02% in FY17 to 4.20% in FY18.
- **Cash conversion cycle** : Cash conversion cycle of the company is at 9 days which indicates a very short turnaround time.

Credit Concerns :

- **Inherent Risk associated with the meat industry**: The company is subject to regulatory and socio economic risks associated with the meat processing industry besides competition from small and big players in the industry.
- **Competition and Hedging** : Intense competition in the market from other major players in the industry along with global competition in buffalo meat market may constrain the ratings. Company is mainly into export of meat.

Liquidity : Cash & Cash equivalent has decreased from Rs 14.59 Cr in FY17 to Rs 8.22 Cr as on FY18. However liquidity of the company is strengthened by good cash accruals of Rs.20.75 Cr as on FY18 , improved from Rs 18.30 crs as on FY17. It has moderate ability to service its debt obligations with its ISCR at 12.79X In addition to that company has efficient cash conversion of cycle of 9 days.



Analytical Approach:

BWR has factored in the standalone business parameters and financial risk profile of the company to arrive at the rating. Reference may be made to the Rating Criteria hyperlinked below.

Rating Outlook: Stable

BWR believes the *AL-Sameer Exports 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

AL-Sameer Exports Pvt. Ltd. (ASEPL), was incorporated in 2008, with its registered office at Kaiser Gunj, Meerut. It is being managed and promoted by Mohd Shameem Qureshi and wife Mrs Naaz Shameem. The company is engaged in the processing and export of frozen halal boneless buffalo meat and poultry products. The company owns an integrated abattoir cum meat processing plant at Araria, Bihar which is approved by the Agricultural and Processed Food Export Development Authority (APEDA) and Bihar State Pollution Control Board.

Company's Financial Performance

Particulars	Units	FY2017 (Audited)	FY2018 (Audited)
Net Sales/Revenue	Rs. Crores	317.38	586.47
EBIDTA	Rs. Crores	19.10	24.65
PAT	Rs. Crores	14.26	16.71
Tangible Networth	Rs. Crores	44.39	61.10
TOL : TNW Ratio	Times	1.01	1.10
Current Ratio	Times	1.63	1.63



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

S.No.	Instrument / Facility	Current Rating (Year 2019)			Rating History		
		Type	Amount (Rs Crs)	Rating	2018	2017	2016
1.	Term Loan	Long Term	0.03	BWR BBB (Pronounced as BWR Triple B) Outlook : Stable	NA	NA	NA
2.	PC	Short Term	35.00	BWR A3+ (Pronounced as BWR A Three Plus)			
3.	FOBP/FOUBP/FA BC/FOBNLC	Short Term	4.00				
Rs 39.03 Cr (Thirty Nine crores and Three lakh Only)							

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

Any other information - NIL

Hyperlink/Reference to applicable Criteria

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

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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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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