



RATING RATIONALE

18 Sept 2020

Al-Dua Food Processing Pvt Ltd

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹178.80 Crores of Al-Dua Food Processing Pvt Ltd, based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Tenure	Previous Amount (Rs. Crs)	Present Amount (Rs. Crs)	Previous Rating (20 March 2020)	Present Rating
Fund Based	Long Term	175.80	175.80	BWR BBB+ (CE)# Stable (Unsupported BWR BB- (Stable)) Issuer not Cooperating*	BWR BB+ (CE)# Stable (Unsupported BWR B+ (Stable)) (Downgrade) Issuer not Cooperating*
Non Fund Based	Short Term	3.00	3.00	BWR A3+ (CE)# (Unsupported BWR A4) Issuer not Cooperating*	BWR A4+ (CE)# (Unsupported BWR A4) (Downgrade) Issuer not Cooperating*
Total		178.80	178.80	Rupees One Hundred Seventy Eight crores and Eighty Lakhs only	

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

* Issuer did not cooperate, based on best available information.

#CE rating factors in the comfort derived from corporate guarantee provided by Al-Hamd Agro Food Products Pvt Ltd. (Holding Company) to ensure servicing of debt obligations of AFPL.

NATURE OF NON-COOPERATION

Bank loans ratings assigned to Al-Dua Food Processing Pvt Ltd (AFPL or the company) were reaffirmed at BWR BBB+ (CE) (Stable)/A3+ (CE) (Issuer not cooperating) (Unsupported rating BWR BB- (Stable)/A4 (Issuer not cooperating)) on 20 March 2020. Since then, BWR has been following up with the company for submission of rating mandate and other required information for conducting a review of the rating. However, due to continued non cooperation by the company in providing the requisite information, BWR has downgraded the rating, which still categorising it as Issuer not Cooperating..

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.



COMPANY PROFILE (As available with BWR in March 2019)

Al-Dua Food Processing P Ltd (AFPL) is now a part of Al-Hamd Group, and is engaged in the processing and exports of frozen buffalo boneless meat and meat products to countries such in South Asia, the CIS (Commonwealth of Independent States), Far East and traditional markets in the Middle East. Al-Hamd Group is promoted by Mohd. Zaheer, who has over four decades of experience in the cattle sale & purchase and meat processing industry. AFPL set up a unit in 2012 with a total installed capacity of 2,01,000 MTPA (integrated meat plant) at Aligarh, Uttar Pradesh.

Company’s Financial Performance (Al-Hamd Agro Food Products Pvt Ltd-parent)

	Unit	FY18 (Aud)	FY19 (Aud)
Net Sales/Revenues	Rs. Crs	1844.53	1327.73
EBIDTA	Rs. Crs	41.87	58.20
PAT	Rs. Crs	33.06	27.29
Tangible Net worth	Rs. Crs	144.34	170.42
TOL/ TNW	Times	1.63	1.56
Current Ratio	Times	1.45	1.50

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NIL

RATING HISTORY FOR PAST THREE YEARS (including withdrawn and suspended ratings)

Instrument / Facilities	2020	Rating History																											
		20 March 2020	2019	28 March 2018	2017																								
Bank Loans	<p>Current Rating</p> <table border="1"> <tr> <td>FB</td> <td>Rs.17 5.80 crs</td> <td>BWR BB+ (CE)* * Stable (INC)* *</td> </tr> <tr> <td>NF B</td> <td>Rs.3.0 0 crs</td> <td>BWR A4+ (CE)** (INC)*</td> </tr> </table> <p>**Unsupported BWR B+ (Stable)/A4 (INC*)</p>	FB	Rs.17 5.80 crs	BWR BB+ (CE)* * Stable (INC)* *	NF B	Rs.3.0 0 crs	BWR A4+ (CE)** (INC)*	<table border="1"> <tr> <td>FB</td> <td>Rs.175. 80 crs</td> <td>BWR BBB+ (CE)** Stable (INC)*</td> </tr> <tr> <td>NF B</td> <td>Rs.3.00 crs</td> <td>BWR A3+ (CE)** (INC)*</td> </tr> </table> <p>**Unsupported BWR BB- (Stable)/A4 (INC*)</p>	FB	Rs.175. 80 crs	BWR BBB+ (CE)** Stable (INC)*	NF B	Rs.3.00 crs	BWR A3+ (CE)** (INC)*	<p>27 Dec 2019</p> <table border="1"> <tr> <td>FB</td> <td>Rs.17 5.80 crs</td> <td>BWR BBB+ (CE)** Stable</td> </tr> <tr> <td>NF B</td> <td>Rs.3. 00 crs</td> <td>BWR A3+ (CE)**</td> </tr> </table> <p>**Unsupported BWR BB- (Stable)/A4</p> <p>14 Sept 2019 Advisory issued by BWR for changing suffix from SO to CE^</p> <p>23 March 2019</p>	FB	Rs.17 5.80 crs	BWR BBB+ (CE)** Stable	NF B	Rs.3. 00 crs	BWR A3+ (CE)**	<table border="1"> <tr> <td>FB</td> <td>Rs.227 .06 crs</td> <td>B W R A- (S O) Stable</td> </tr> <tr> <td>NF B</td> <td>Rs3.00 crs</td> <td>B W R A2 + (S O)</td> </tr> </table>	FB	Rs.227 .06 crs	B W R A- (S O) Stable	NF B	Rs3.00 crs	B W R A2 + (S O)	N.A
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*Issuer did not Cooperate. Based on the best available information.

^Advisory issued by BWR on 14Sept2019 changing the suffix from (SO) to (CE)

ANNEXURE I

Al-Dua Food Processing Pvt Ltd Details of Bank Facilities rated by BWR

Sl. No.	Name of the Bank	Type of Facilities	Long Term {(₹ Cr)}	Short Term {(₹ Cr)}	Total (₹ Cr)
1	HDFC Bank, ECG, Safdarjung Enclave, New Delhi	Working Capital	50.00	NIL	50.00
2		Term Loan	0.80	NIL	0.80
5	Bank of Baroda, IBB, Sansad Marg, New Delhi	Working Capital	125.00	NIL	125.00
6		BG	NIL	3.00	3.00
TOTAL			175.80	3.00	178.80

Total Rupees One Hundred Seventy Eight crores and Eighty Lakhs only.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

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



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