



RATING RATIONALE

27 Dec 2019

Al-Dua Food Processing Pvt Ltd

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 178.80 cr of Al-Dua Food Processing Pvt Ltd.

Particulars:

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (March, 2019)	Present
Fund based	175.80	175.80	Long Term	BWR BBB+ (CE)^ Stable	BWR BBB+ (CE)** Stable (Reaffirmation)
Non Fund Based	3.00	3.00	Short Term	BWR A3+ (CE)^	BWR A3+ (CE) ** (Reaffirmation)
Total	178.80	178.80	Rs. One Hundred Seventy Eight crores and Eighty Lakhs Only		

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

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

** Standalone (unsupported) ratings assigned at BWR BB- with stable outlook and BWR A4 to Al-Dua Food Processing Pvt Ltd. for the bank loan facilities.

Details of bank loan facilities given in Annexure I.

RATING ACTION / OUTLOOK

Bank loan facilities availed by Al-Dua Food Processing Pvt Ltd.(AFPL or ‘the company’) were last rated in March 2019 and downgraded from BWR A- (SO) Stable / A2+(SO) to BWR BBB+(SO) stable/ A3+(SO) owing to change in the ownership of the company from MK Overseas Ltd to Al-Hamd Agro Products Pvt. Ltd.

The suffix “Structured Obligation” (SO) in the ratings took into account the credit enhancement available in the form of irrevocable corporate guarantee furnished by Al-Hamd Agro Food Products Pvt. Ltd. (holding company of Al-Dua Food Processing Pvt Ltd) (rated BWR BBB+/ A3+ on 21 Jan19) in favor of the lenders of the bank loan facilities availed by AFPL. The rated debt instruments do not involve structured payment mechanisms. Suffix S.O (Structured Obligation) was later replaced by CE (Credit Enhancement) as per rating advisory dated 14 Sep 2019 by BWR. In compliance with the regulatory guidelines, BWR has assigned unsupported ratings at BWR BB- (Stable) /BWR A4 to the company for its Bank Loan Facilities. For further details, the previous Rating Rationale may be accessed at

[https://www.brickworkratings.com/Admin/PressRelease/Al-Dua-Food-Processing-23Mar2019%20\(1\).pdf](https://www.brickworkratings.com/Admin/PressRelease/Al-Dua-Food-Processing-23Mar2019%20(1).pdf)

COMPANY PROFILE

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 (as available)

Key Parameters	Units	2017 (A)	2018 (A)
Operating Revenue	Rs. crs	1028.12	593.46
EBITDA	Rs. crs	36.27	(29.29)
PAT	Rs. crs	15.20	(46.53)
Tangible Net worth	Rs. crs	155.36	108.82
Total Debt/Tangible Net worth	Times	1.57	2.36
Current Ratio	Times	1.31	1.15

Rating History for the last three years (including Withdrawn and Suspended)

S.No	Instrument /Facility	Current Rating			Rating History		
		Type	Amount (₹ Crs)	Rating	23 Mar 2019	28 Mar 2018	16 Dec 2016
1.	Fund Based	Long Term	175.80	BWR BBB+ (CE)* Stable	BWR BBB+ (SO)^ Stable	BWR A- (SO) Negative	BWR A- (SO) Stable
2.	Non Fund Based	Short Term	3.00	BWR A3+ (CE)*	BWR A3+ (SO)^	BWR A2+(SO)	BWR A2+ (SO)
	Total		178.80	₹ One Hundred Seventy Eight crores and Eighty Lakhs Only			

*Standalone (unsupported) rating assigned at BWR BB- with stable outlook and BWR A4 to Al-Dua Food Processing Pvt Ltd. for the bank loan facilities.

^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](#)
- [Manufacturing Companies](#)

Analytical Contacts	Investor and Media Relations
<p>[Saurabh Agarwal] Primary Analyst [Board: +91 11 23412232] [saurabh.a@brickworkratings.com]</p> <p>[Ashwini Mital] [Director – Ratings] [Board: +91 172 5032295/96] [ashwinimital@brickworkratings.com]</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications M : +91 84339 94686 liena.t@brickworkratings.com</p>



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