

## RATING RATIONALE

20 Mar 2020

### Al-Hamd Agro Food Products Pvt Ltd

**Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs.190.30 Crores of Al-Hamd Agro Food Products Pvt Ltd based on the best available information, as the issuer did not cooperate.**

#### Particulars

Facility	Tenure	Previous Amount	Current Amount	Previous Rating ** (21 Jan 2019)	Current Rating
Term Loan	Long Term	3.30	3.30	BWR BBB+ Stable	BWR BBB+ Stable (Reaffirmed) Issuer did not Cooperate*
EPC/PCFC	Short Term	137.00	137.00	BWR A3+	BWR A3+ (Reaffirmed) Issuer did not Cooperate*
Forward Cover		50.00	50.00		
<b>Total</b>		<b>190.30</b>	<b>190.30</b>	<b>Rupees One Hundred Ninety crores and Thirty Lakhs only</b>	

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

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

\*\*Rating not reviewed advisory issued on 22 Jan 2020

#### NATURE OF NON-COOPERATION

BWR rated the bank loan facilities of Al-Hamd Agro Food Products Pvt Ltd, amounting to Rs.190.30 crs in Jan 2019 at BWR BBB+ (Stable)/BWR A3+. The review of the rating was due in Jan 2020. Despite the best efforts of BWR to get the surveillance mandate and other required information through emails followed by numerous phone calls, the co. has not provided the same. In the absence of adequate information and surveillance mandate from the client, BWR is unable to maintain a valid rating.

Reaffirmation in the rating factors in stable revenues, improvement in profit margins and interest coverage, stable and comfortable gearing, adequate liquidity and satisfactory conduct of account, as reported by lenders. In 11MFY20, the company has achieved revenues of Rs.1168 crs against full year revenues of Rs.1328 crs during FY19. It is expected that company will cover revenues of Rs.1300 crs on a standalone basis and Rs.2000 crs on a consolidated basis in FY20. In FY19, the company's OPM and NPM improved to 4.8% and 2.06% respectively against 2.27% and 1.79% respectively during FY18. ISCR improved from 10.36% in FY18 to 11.56% in FY19. Overall gearing remained stable and comfortable at 0.56x during FY18 and FY19. Liquidity in the company is adequate with a comfortable



WC cycle of 41 days in FY19, positive NWC at Rs.132.11 crs as on 31st March 2019 and comfortable interest coverage of 11.56x in FY19.

#### **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 Jan 2019)**

Al-Hamd Agro Food Products Pvt Ltd was registered as a Pvt Ltd company in 2003 and commenced its operations in 2005. The registered and corporate office of the company is in Aligarh, U.P. The company has an integrated abattoir and meat processing plant in Aligarh, U.P. with products being exported to international markets in the Middle East and the South East Asia. The company is ISO 9001:2008, HACCP and FSSAI certified.

#### **Company Financial Performance**

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

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY:** CRISIL BB+ (Stable)/A4+ (March, 2019) (Non-cooperation)

## RATING HISTORY

Instrument / Facilities	2020		Rating History						
			22 Jan 2020	2019		02 Aug 2018	2017		
Bank Loans	Current Rating		Rating not reviewed advisory issued	10 May 2019		N.A			
	FB	Rs.3.30 crs		BWR BBB+ Stable (INC)*	FB			Rs.3.30 crs	BWR BBB+ Stable
	FB	Rs.137.00 crs		BWR A3+ (INC)*	FB			Rs.137.00 crs	BWR A3+
	NFB	Rs.50.00 crs			NFB			Rs.50.00 crs	BWR BBB+ Stable
				21 Jan 2019					
				FB	Rs.3.30 crs	BWR BBB+ Stable			
				FB	Rs.137 crs	BWR A3+			
				FB	Rs.2 crs	BWR BBB+ Stable			
				FB	Rs.77 crs	BWR A3+			

\*Issuer did not Cooperate. Based on the best available information.

## ANNEXURE I

### Al-Hamd Agro Food Products Pvt Ltd Details of Bank Facilities rated by BWR

Sl. No.	Name of the Bank	Type of Facilities	Long Term {(Rs. Cr)}	Short Term {(Rs. Cr)}	Total (Rs. Cr)
1	State Bank of India, SME Branch, Aligarh	Term Loan	3.30	NIL	3.00
2		EPC/PCFC	NIL	137.00	137.00
3		Forward Cover	NIL	50.00	50.00
<b>TOTAL</b>			3.30	187.00	190.30

Rupees One Hundred Ninety crores and Thirty Lakhs Only

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)



## Hyperlink/Reference to applicable Criteria

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

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