



Rating Rationale

Al Jalil Exports

5th May 2017

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of Rs. 5.20 Crores of Al Jalil Exports as follows:

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating*
Fund Based Working Capital	1.10	Long Term	BWR B (Pronounced as BWR single B) (Outlook: Stable)
Term Loan	4.10*		
Total	5.20	(INR Five Crores and Twenty Lakhs Only)	

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

* Term loan is not yet fully utilised

Ratings Assigned

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has primarily relied upon the projected financials from FY18 to FY22, publicly available information and the information/clarifications provided by the firm's management.

The rating assigned derived its strengths from the partners experience in slaughtering business and locational advantage of the unit. However the rating is constrained by project timely completion risk without any escalation cost, mismatch of cash flows affecting the repayment obligation for delayed commencement of operations, ambitious projected revenue not supported by any confirmed orders or tie-ups , competitive both from organized and unorganised sector unknown and uncertain domestic customers and untapped export customers.

Going forward, ability of the firm for on-time commencement of operations, timely repayment of debt obligations and achieving the projected financials of FY18, to improve capital base further will remain key rating sensitivities.



Rating Outlook: Stable

BWR believes that **Al Jalil Exports** 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

M/s Al Jalil Exports is a partnership firm established on July 15, 2016 by the partners Smt. Sowmya Ramesh, Mr. H R Sukirti, Smt. D T Sudha and Mr. T Nousheer. The slaughter house of the firm is coming up at SY No.101/4, Doddarsinakere village, Maddur Taluk, Mandya Karnataka. The extent of converted land is 28 guntas. The land is standing in the name of Shri. Ramana who is the husband of one the partner Smt. D T Sudha. The land is on lease basis to the firm for a period of 10 years. The firm is coming up with a modern slaughter house equipped with standard facilities to slaughter 1500 small ruminants/day. The firm has proposed an installed capacity of 4.50 lakh animals slaughtered per year and expecting a capacity utilization of 60% in the initial year. The commercial operations of the firm is scheduled to commence by the end of October 2017. The project is being developed at a total cost of Rs. 6.32 Crs. Partners contribution is Rs. 2.22 Crs and Term loan from bank is Rs. 4.10 Crs. The firm yet to obtain the statutory approvals from APEDA (Agricultural and Processed Food Products Export Development Authority) and certain requisite international approvals for export.

Financial Performance

The Firm is expected to start the commercial operations by the end of October 2017 and has projected revenue of ₹71.33 Crores in FY 18 (for 5 months of operations). Project gearing stood at ~1.68X. For FY18, projected debt equity reported at 2.16X due to working capital borrowings. Aggregate personal Net-worth of the partners is ₹ 10.25 Crores (Including the land cost of ₹ 8.42 Crores) as informed by the management.

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

Sl. No.	Facility	Current Rating (Year 2017)			Rating History	Rating History	Rating History
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1	Fund Based	Long Term	5.20	BWR B (Outlook: Stable)	Not Rated	Not Rated	Not Rated

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Food Processing](#)
- [Approach to Financial Ratios](#)

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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, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.



BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100cities.

DISCLAIMER

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