

Rating Rationale

Brickwork Ratings assigns the rating of ‘BWR B’ for Bank Loan facilities of ₹ 9.42 Cr to Al-Raheem International Pvt. Ltd (AIPL or ‘the Company’)

Brickwork Ratings (BWR) has assigned the following **Rating¹** for the Bank Loan Facilities of Rs.9.42 Cr of Al-Raheem International Pvt. Ltd (“AIPL” or “the Company”):

Facilities	Limits (₹ Cr)	Tenure	Rating
Fund Based			BWR B (Pronounced BWR Single B) Outlook: Stable
Cash Credit	7.50	Long Term	
Term Loan	1.92*		
Total	9.42	INR Nine Crores and Forty Two Lakhs Only	

*O/s as on August 2016

BWR has essentially relied upon the audited financial results of the company upto FY15, publicly available information and information/clarifications provided by the company's management.

The rating has factored in, *inter alia*, long standing experience of promoters, the locational advantage of the manufacturing unit. However, the ratings are constrained by modest scale of operations of the company, nature of operations and the susceptibility of earnings to raw material price fluctuations and foreign exchange rate fluctuations, its presence in a competitive industry alongwith the risks pertaining to the industry.

Background:

M/s Al-Raheem International Pvt Ltd, was incorporated as a private limited company in the year 2013. Its registered office is located in Meerut, Uttar Pradesh. The company is engaged in manufacturing and trading of Pet Foods (Dog Food).

Mr. Sageer Ahmad and Ms. Nasreen Bano are directors of the Company and are having more than 10 years of experience in the same line of activity.

In July 2016, Al-Raheem International (Proprietorship concern with Mr. Sageer Ahmad as Proprietor) has merged with Al-Raheem International Pvt Ltd.

Financial Performance:

Commencement of operations started from April 2016. As on 31st March, 2015, company's authorized share capital stands at Rs. 2.00 Crs and its paid up capital is Rs. 0.01 Crs.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Rating Outlook:

The rating outlook is expected to be stable over the current year. The ability of the company to achieve the targeted revenue, achieve profitability which is adequate to take care of debt servicing, and efficiently manage its working capital would be the key rating sensitivities.

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