

Press Release

Brickwork Ratings assigns 'BWR BB-' & 'BWR A4' for the Bank Loan Facilities aggregating to ₹ 19 Cr of Al-Saqib Exports Pvt. Ltd.

Brickwork Ratings (BWR) has assigned the following **Ratings¹** for the Bank Loan Facilities of ₹ 19 Crores of Al-Saqib Exports Pvt Ltd.

Facility	Tenure	Amount (₹ Cr)	Rating
Fund Based / Working Capital Limits	Long Term	2.00	BWR BB- (BWR Double B Minus) (Outlook: Stable)
Fund Based PC	Short Term	19.00	BWR A4 (BWR A Four)
Non Fund Based FOBP/FOUBP/FABC/FA UBC/FOBNLC/FOUBLN C Limits		19.00	
Total		19.00 (INR Nineteen Crores only)	

Sub Limit: FOUBP/FAUBC of ₹ 3.00 Crores

The rating has factored, inter alia, the promoter's experience in the field, and steady growth in revenue over the last three years and substantial growth in revenue for FY13 as per the provisional financials provided by the company because of the export sales. However the rating is constrained by low profit margins, high leverage position, low tangible networth and higher receivables level.

Al-Saqib Exports Pvt Ltd (ASEPL) was incorporated in 1996 in New Delhi by Mr M.D. Shahid Qureshi. The Company is involved in meat processing and export of frozen meat. The companies' integrated Meat Complex is located at Meerut City of Uttar Pradesh in India. In this vertically integrated plant, the main products mainly, Corned Buffalo & Frozen Meat are pressed on the upper floor while the inedible by Products processing is carried out on the ground floor to maintain plant hygiene standards. The company is HACCP, APEDA, HALAL and ISO 9001 Certified company.

The revenue from operations had been increasing consistently from FY09 till FY11, there was a drop in revenue in FY12 as the company had lesser job work orders for FY12. Export sales have

¹ Please refer to BWR website www.brickworkratings.com for definition of the Rating

resulted in an increase of revenue from ₹ 37.66Crores in FY12 to ₹ 101.16Crores in FY13 as per the provisional figures provided by the company. Profit

After Tax margins as a percentage of turnover was around 0.21% for FY12. The company is highly leveraged with debt equity ratio of 4.94 times for FY12. The firm's tangible net worth stood at ₹ 4.70Crores for FY12, which is expected to improve in FY13 as the promoters have increased the capital from ₹ 0.65Crores to ₹ 8.49Crores as per the provisional figures provided by the company for FY13.

Al-Saqib Exports Pvt. Ltd.'s operating performance over the next year is considered stable. Demand for froze meat is quite high, though the competition is also increasing. Ability of the firm to increase its topline, improve margins, lower the leverage position, increase the long term funds and reduce the receivables level are considered the key rating sensitivities.

analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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