

RATING RATIONALE

1 Oct 2020

Ali Agro Food Products

Brickwork Ratings downgrades the Rating for the Bank Loan Facility of INR 5.60 crores of Ali Agro Food Products based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Aug, 2019)	Present
Fund Based	5.60	5.60	Long Term	BWR B Stable Assigned	BWR B- Stable Downgraded Issuer Not Cooperating*
Total	5.60	5.60	INR Five Crores and Sixty Lakhs Only		

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

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

Details of Bank facilities is provided in Annexure-I

** The rating moved to 'Rating Not Reviewed' on 03 Aug 2020

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

Downgraded the rating to BWR B- (Stable); (Issuer Not Cooperating) based on the best available information as the issuer did not cooperate.

The rating was due for review in Aug, 2020. BWR took up with the issuer to provide the required information over emails and through telephone calls. We tried to reach out to the client through emails and phone calls but there is no response from the client side. Although, the banker's feedback is satisfactory. The management of the company has also not submitted the No Default Statement since the last rating. Hence, on account of inadequate information and lack of management cooperation, Brickwork Ratings has downgraded the rating to BWR B- (Stable); Issuer Not Cooperating.

LIMITATIONS OF THE RATING: Information availability risk is the key factor in the assessment of the credit risk as generally, non-cooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should, therefore, take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR in Aug, 2019]

Key Parameters	Units	FY 2018	FY 2017
Result Type		Audited	Audited
Operating Revenue	INR crs.	5.42	0.00
OPBDIT	INR crs.	0.49	0.00
PAT	INR crs.	0.02	0.00
Tangible Net Worth (TNW)	INR crs.	0.89	0.00
Total Debt/TNW	Times	3.65	0.00
Current Ratio	Times	1.49	0.00

FIRM'S PROFILE

Established in 2017, Ali Agro Food Products is a Bahraich-based partnership firm engaged in the business of rice milling. The rice milling business is the family business of the partners, Mr. Ali Asim Mekrani, Mr. Ali Sanam Mekrani, and Mr. Ali Atif Mekrani. The partners' ancestors were in this business for more than eight decades. At present, the firm's capacity utilization is 100% and it processes and sells approximately 94% rice and the remaining 6% in rice bran. The main raw material required by the firm is paddy which it procures from nearby villages.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY [Including Withdrawal and Suspended]

Facility	Current Rating (2020)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	Aug, 2019	2018	2017
Fund Based	Long Term	5.60	BWR B- Stable Downgraded Issuer Not Cooperating*	BWR B Stable Assigned	-	-
Total		5.60	INR Five Crores and Sixty Lakhs Only			

* Issuer did not cooperate, based on best available information

** The rating moved to 'Rating Not Reviewed' on 03 Aug 2020

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](#)
- [What Constitutes Non-Cooperation](#)

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ANNEXURE I

Ali Agro Food Products

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.	Allahabad Bank	Cash Credit	4.00	-	4.00
2.		Term Loan	1.60	-	1.60
TOTAL					5.60

Total Rupees Five Crores and Sixty Lakhs Only.



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