



Press Release

AI-Dua Food Processing Private Limited

May 12, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Short Term Bank Facilities	328.00	IVR A2+ (IVR A Two Plus)	IVR A2+ (IVR A Two Plus)	Rating Reaffirmed	Simple
Total	328.00	Rupees Three Hundred Twenty Eight Crore Only			

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has reaffirmed short-term rating of IVR A2+ for the bank loan facilities of AI-Dua Food Processing Private Limited (ADFPL).

The rating continues to draw comfort from the established track record of operations and experienced management, diversified geographical presence, locational advantage and comfortable debt protection metrics and financial risk profile. However, these strengths are partially offset by thin profitability margins, susceptibility changes in government regulations, intense competition and fragmented nature of industry.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. IVR believes ADFPL's business risk profile will be maintained over the medium term. The industry outlook is also improving led by favourable export demand for Indian boneless buffalo meat in global markets.

IVR has principally relied on the consolidated audited financial results of ADFPL upto 31 March 2024, FY2025 (refers to period April 1st, 2024, to March 31, 2025) unaudited certified provisional results and projected financials for FY2026, FY2027 and FY2028, and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Substantial improvement in the scale of operations and EBITDA margins above 3.70%
- Improvement in debt protection metrics
- Sustenance of the overall gearing below 0.65x



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Downward Factors

- Significant reduction in the scale of operations and profitability margins,
- Deterioration in debt protection metrics and overall gearing

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record of operations and experienced management:**

The company commenced its operations in 2012 and has a successful track record of around a decade in the existing line of business. Overall activities of ADFPL are managed by four directors with Mr. Mohamad Zaheer being the Managing Director. He has around 40 years' experience in the buffalo meat processing business. He is ably supported by other three directors, namely, Mr. Mohamad Tauqeer, Mr. Mohamad Tauseef and Mr. Imran Suhail who have effective experience in meat processing business as well as supported by qualified and well experienced management team. Over the years they have built strong relationships with customers and suppliers in domestic as well as overseas markets.

- **Diversified geographical presence:**

The company has a diversified geographical presence as their products are being sold international markets like Egypt, Indonesia, Kuwait, Jordan, Iraq, Dubai, Saudi Arabia, Vietnam, Hongkong, Bangladesh, Oman, Maldives etc. as well in domestic market of India. These products are being sold under the brand name of Al-Dua.

- **Locational advantage:**

The company's plant is located at Aligarh in Uttar Pradesh, which facilitates easy availability of raw material with its manufacturing facility being in the agricultural belt of the country.

- **Likely growth in Indian buffalo meat exports:**

With government support the Indian buffalo meat export market is expected to grow in the medium term due to competitive export pricing, a fast-growing urban population globally, an improvement in domestic transportation and storage practices, and the growing popularity of supermarkets. India is a leading buffalo meat exporter in the world due to high buffalo population and low domestic consumption.



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- **Comfortable debt protection metrics and financial risk profile:**

In terms of the debt coverage indicators, the interest service coverage ratio (ISCR) and the debt service coverage ratio (DSCR) remained comfortable at 6.18x and 5.14x respectively in FY2025 (Provisional). The tangible networth improved to Rs. 266.36 crore in FY2025 (Provisional) from Rs. 230.69 crore in FY2024. Overall gearing stood comfortable at 0.56x in FY2025 (Provisional). The total operating income (TOI) stood at Rs. 1800.17 crore in FY2025 (Provisional) as compared Rs. 1724.60 crore in FY2024.

Key Rating Weaknesses

- **Thin profitability margins:**

The profitability margins of the company are typically low owing to limited value addition in the buffalo meat processing business. The EBITDA margin and PAT margins stood at 3.36% and 2.00% respectively in FY2025 (Provisional). The intense competition in the domestic and international markets has kept profitability low. Going forward, the improvement in the profitability margins of the company will be a key rating sensitivity.

- **Susceptibility changes in government regulations:**

Changes in government policies could directly affect sales and raw material supply, as currently the government of Uttar Pradesh is not issuing new licenses for opening up of new slaughterhouses or capacity expansion of existing slaughterhouses. However, the policies that have affected illegal abattoirs have been positive for licensed abattoirs. But an adverse change in policy could impact business. Also, products must meet international quality standards as per the policy and regulations of importing nations.

- **Intense competition and fragmented nature of industry:**

The buffalo meat processing industry is highly fragmented and competitive because of the presence of large, organised players and numerous mid-sized players. The competition is further aggravated by exports from other major meat-exporting countries such as Brazil and Australia. This keeps the pricing flexibility of the industry participants in check and limits profitability.

Analytical Approach: For arriving at the ratings, IVR has analysed ADFPL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)
[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)
[Criteria for Assigning Rating Outlook](#)
[Policy on Default Recognition](#)
[Complexity Level of Rated Instruments/Facilities](#)



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Liquidity – Adequate

The company has an adequate liquidity position. There are no long-term secured borrowings from banks other than vehicle loans, as on 31st March 2025. The company projected to generate cash accruals between Rs. 50.78 crore-Rs. 60.18 crore in FY2026-FY2028 which are sufficient to make the repayment obligations. With the adequate expected cash accruals against repayments, the liquidity position will remain adequate.

About the Company

Al- Dua Food Processing Private Limited (ADFPL) was incorporated in 2012. It is engaged in the processing and exports of frozen buffalo boneless meat and meat products. It is wholly owned subsidiary Al-Hamd Agro Food Products Private limited which has acquired 99.91% equity stake in ADFPL. The processing unit/plant is located in Aligarh, Uttar Pradesh with capacity of 1,29,792 MTPA. The company sell their products under brand name of AL-Dua which is very well-known international markets. Their buffalo meat is exported to countries like Malaysia, Egypt, Saudi Arabia, Hong Kong Iraq, Iran, Egypt, UAE, Vietnam, etc. It is an ISO 9001:2008 certified organization. The products of the company are certified by Food Safety and Standards Authority of India (FSSAI) and Hazard Analysis Critical Control Points (HACCP). The company is also registered with Agricultural and Processed Food Products Export Development Authority (APEDA) of India.

Financials (Standalone):

(Rs. crore)		
For the year ended as on	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	1724.60	1800.17
EBITDA	51.44	60.53
PAT	29.55	36.00
Total Debt	157.92	147.88
Tangible Networkth	230.69	266.36
EBITDA Margin (%)	2.98	3.36
PAT Margin (%)	1.71	2.00
Overall Gearing Ratio (x)	0.68	0.56
Interest Coverage Ratio (x)	6.62	6.18

Status of non-cooperation with previous CRA: Brickwork Ratings in its press release dated 26th December 2024 has continued to place the rating of ADFPL under ISSUER NOT COOPERATING category due to non-availability of information.

Any other information: Not Applicable



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Rating History for last three years:

Sr. No.	Type of Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (10 Feb 2025)	Date(s) & Rating(s) assigned in 2023-24 (18 Jan 2024)	Date(s) & Rating(s) assigned in 2022-23 (19 Dec 2022)
1.	Fund Based	Short Term	328.00	IVR A2+	IVR A2+	IVR A2+	IVR A2+

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
EPC/FBD/PCFC/FB P*	-	-	-	234.00	IVR A2+
EPC/PCFC	-	-	-	94.00	IVR A2+

*CEL of Rs. 21 crore is sublimit of EPC/PCFC/FBP/FBD

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Al-Dua-Food-12may25.pdf>

Annexure 3: Detailed explanation of covenants of the rated securities/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/combined analysis: Nil

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.