Press Release

Marya Frozen Agro Food Products Private Limited

August 26, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	58.45 (enhanced from Rs 57.50 crore)	IVR BB/Stable (IVR Double B with Stable outlook)	IVR BB/ Stable (IVR Double B with Stable outlook)	Reaffirmed	Simple
Short Term Bank Facilities	1.55 (Reduced from Rs 2.50 crore)	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Reaffirmed	Simple
Total	**60.00 (Rs. Sixty crore only)**				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale:

The reaffirmation of the ratings assigned to the bank facilities of Marya Frozen Agro Food Products Private Limited (MFAPPL) factors in the promoters' extensive experience in the packaged foods and meat industry, improvement in profitability margins, and moderate capital structure along with comfortable debt protection metrics. However, these strengths are partially offset by geographical concentration risks, customer concentration risks, and the company's exposure to regulatory and competitive risks.

The Stable outlook reflects Infomerics' expectation that the company will continue to benefit from a steady improvement in its scale of operations, supported by stable demand prospects. Infomerics has also withdrawn the outstanding rating of 'IVR BB/ Stable' assigned to a Term Loan 1 facility from State Bank of India. The withdrawal is based on the request of MFAPPL and 'No Due Certificate' issued by the lender. The ratings are withdrawn in accordance with Infomerics' policy on withdrawal. Link to the withdrawal policy is provided below.

Key Rating Sensitivities:

Upward Factors

- Significant growth in the scale of operations with improvement in profitability on a sustained basis and consequent improvement in cash accruals.
- Significant improvement in capital structure and debt protection metrics.
- Substantial improvement in liquidity position marked by improvement in the operating cycle.

Downward Factors

- Significant decline in scale of operations and/or moderation in profitability impacting cash accruals on a sustained basis.
- Moderation in the capital structure with deterioration in overall gearing and/or moderation in interest coverage ratio.
- Elongation in operating cycle leading to moderation in liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Extensive experience of the promoters

The promoters bring deep expertise in the packaged foods and meat industry, providing valuable market insights and fostering robust relationships with suppliers and customers across both domestic and international markets. MFAPPL is part of the Marya Group, a diversified conglomerate with a strong foothold in the FMCG and textile sectors, and a well-established market presence throughout Uttar Pradesh.

Improvement in profitability margins

Driven by year-on-year revenue growth and a strategic shift toward higher-margin in-house manufacturing, the company's earnings before interest, tax, depreciation and amortization (EBITDA) rose by ~15%, reaching Rs. 15.72 crore in FY25 (Provisional), up from Rs. 13.69 crore in FY24. This operational improvement was further complemented by a significant reduction in interest expenses following the repayment of term loans, resulting in a ~50% increase in Profit After Tax (PAT), which climbed to Rs 5.87 crore in FY25 (Provisional) from Rs 3.92 crore in the previous fiscal year. EBITDA margins expanded by 16 basis points, improving to 3.11% in FY25 (Provisional) from 2.95% in FY24. Similarly, PAT margins saw a notable increase of 31 basis points, rising to 1.16% from 0.85% over the same period.

Moderate capital structure and comfortable debt protection metrics

As of March 31, 2025 (Provisional), the company's tangible net worth increased to Rs 40.83 crore, up from Rs 38.39 crore in FY24, primarily driven by profit accretion to reserves. Total debt reduced to Rs 41.63 crore (FY24: Rs 43.42 crore), reflecting scheduled term loan repayments. This combination of enhanced net worth and lower debt levels led to an improvement in overall gearing, which stood at 1.02x compared to 1.13x in the previous fiscal. Total Outside Liabilities to Tangible Net Worth (TOL/TNW) ratio also strengthened, improving to 1.51x from 1.87x in FY24. Debt Service Coverage Ratio (DSCR) improved to 1.39x (FY24: 1.21x) and the interest coverage ratio improved to 3.87x from 3.17x.

Key Rating Weaknesses

Geographical concentration risk

The company currently derives approximately 96% of its total sales from Uttar Pradesh, indicating a high degree of geographical concentration risk. To mitigate this and diversify its market presence, the company is actively expanding into West Bengal with the establishment of a second manufacturing facility in Kolkata. Machinery installation is presently underway, and the plant is expected to become operational by October 2025.

The total project cost is estimated at Rs 6.67 crore, of which Rs 4.50 crore is proposed to be financed through a term loan (currently untied), while the remaining Rs 2.17 crore will be funded through internal accruals.

Customer concentration risk

Approximately 60–80% of the company's revenue is derived from its top five customers, with IFF India Frozen Foods Pvt. Ltd. being the most significant contributor. This high customer concentration poses a risk to business continuity, as any reduction in demand or termination of orders by these key clients could materially impact the company's financial performance.

Regulatory and competitive risks

Although the company's operations are primarily focused on the domestic market, it functions within a highly regulated industry where any unfavorable shifts in government policy could significantly affect business continuity and access to raw materials. Additionally, the buffalo meat processing sector in India is characterized by fragmentation and intense competition, with several large, organized players and a multitude of mid-sized firms. This competitive landscape constrains the company's pricing flexibility and may exert downward pressure on its profit margins.

Analytical Approach: Standalone

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
Policy on Withdrawal of ratings

Liquidity –Adequate

The liquidity of the company is expected to remain adequate in the near to medium term with estimated annual net cash accruals of Rs 18-30 crore over the fiscal 2026-2028 are sufficient to meet the annual term debt obligations of Rs 3-4 crore over the same period. Further, the average fund-based utilisation for the past twelve months ended June 2025 remains at ~85% which indicates moderate liquidity buffer.

About the Company

Marya Frozen Agro Food Products Private Limited (MFAPPL), part of the Marya Group, is a leading buffalo meat processing company headquartered in Bareilly, Uttar Pradesh. The company operates a fully integrated facility with a capacity to process 1,000 buffaloes per day and produce 150 tons of frozen boneless meat, marketed under its indigenous brand 'Marya'. Its products are sold to B2B customers across Uttar Pradesh and exported to key international markets including the UAE, Vietnam, Hong Kong, Egypt, Indonesia, and Central Asia. MFAPPL also undertakes job work for reputed clients and is expanding with a modern meat processing facility in Kolkata, West Bengal, slated to commence operations in October 2025.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	463.59	505.58
EBITDA	13.69	15.72
PAT	3.92	5.87
Total Debt	43.42	41.63
Tangible Net Worth	38.39	40.83
EBITDA Margin (%)	2.95	3.11
PAT Margin (%)	0.85	1.16
Overall Gearing Ratio (x)	1.13	1.02
Interest Coverage (x)	3.17	3.87

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Brickwork Ratings has continued the ratings of MFAPPL under Issuer Not Cooperating category on account of non cooperation, vide press release dated October 30,2024

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/ Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					May 29,2024	-	-
1	Term Loans	Long Term	1.62	IVR BB/Stable	IVR BB/Stable	-	-
2	Proposed Term Loan	Long Term	4.50	IVR BB/Stable	-	-	-
2	GECL	Long Term	2.33	IVR BB/Stable	IVR BB/Stable	-	-

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					May 29,2024	-	-
3	Cash Credit	Long Term	22.50	IVR BB/Stable	IVR BB/Stable	-	-
4	EPC	Long Term	2.75	IVR BB/Stable	IVR BB/Stable	-	-
5	FPB	Long Term	2.25	IVR BB/Stable	IVR BB/Stable	-	-
6	Proposed EPC/FPB	Long Term	20.50	IVR BB/Stable	IVR BB/Stable	-	-
7	CEL	Short Term	0.50	IVR A4	IVR A4	-	-
8	Proposed Bank Guarantee	Short Term	1.05	IVR A4	IVR A4	-	-

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.

For more information and definition of ratings please visit www.infomerics.com.

Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	-	-	-
Term Loan 2	-	-	March' 2028	1.62	IVR BB/ Stable
Proposed Term Loan	-	-	-	4.50	IVR BB/ Stable
GECL	-	-	February' 2025	2.33	IVR BB/ Stable
Cash Credit	-	-	-	22.50	IVR BB/ Stable
EPC	-	-	-	2.75	IVR BB/ Stable
FPB	-	-	-	2.25	IVR BB/ Stable
Proposed EPC/FPB	-	-	-	20.00	IVR BB/ Stable
CEL	-	-	-	0.50	IVR A4
Proposed Bank Guarantee	-	-	-	1.05	IVR A4

Annexure 2: Facility wise lender details

https://www.infomerics.com/admin/prfiles/Len-Marya-Frozen-Agro-26aug25.pdf

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

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.