



Press Release

AFP Manufacturing Co Private Limited

September 25, 2025

Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-term Bank Facilities	58.00 [^] (including proposed limit of 5.64)	IVR BBB-/ Stable (IVR Triple B Minus with Stable outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable outlook)	Rating reaffirmed	Simple
Long-term/ Short-term Bank Facilities	14.00	IVR BBB-/ Stable/ IVR A3 (IVR Triple B Minus with Stable Outlook and IVR A Three)	IVR BBB-/ Stable/ IVR A3 (IVR Triple B Minus with Stable Outlook and IVR A Three)	Rating reaffirmed	Simple
Short-term Bank Facilities*	-	-	IVR A3 (IVR A Three)	-	Simple
Total	72.00 (Rupees Seventy- two crore only)				

([^]The Cash Credit facility Rs. 34.50 crore, Term Loan Rs. 20.87 crore and GECL Rs. 2.03 crore rated in the previous year from State Bank of India has been withdrawn based on No Due Certificate from State Bank of India, and at the request of the company, and is in line with Infomerics policy on withdrawal.)

*Working Capital/ Multi-line Facilities has been reclassified as Long-term/ Short-term Bank Facilities at the request of the company.

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 AFP Manufacturing Co. Private Limited (AMCPL) takes into account experienced promoters with long track record, association with reputed brand, continuous increase in scale of operations and moderate financial risk profile. However, these rating strengths are partially constrained due to fortune linked with performance of principal and renewal policy, high degree of competition and working capital intensive nature of operation.

The long-term rating outlook is Stable on the back of satisfactory demand outlook of the readymade processed foods industry coupled with increase in scale of operation and improvement in financial risk profile of the company.

Infomerics has also withdrawn the outstanding long-term rating of 'IVR BBB-/ Stable' assigned to the cash credit of Rs. 34.50 crore, term loan of Rs. 20.87 crore, GECL of Rs. 0.47 crore,



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GECL-1.0 Ext of Rs. 1.56 crore of AMCPL with immediate effect. The withdrawal has been taken on the basis of No Due Certificate from State Bank of India and at the request of the company. The rating is withdrawn in accordance with Infomerics' policy on withdrawal. Link to the withdrawal policy is provided below.

Key Rating Sensitivities:

Upward Factors

- Sustained revenue growth coupled with improvement in profitability on a sustained basis
- Growth in cash accrual and prudent working capital management
- Improvement in leverage ratios

Downward Factors

- Decline in revenue and profit margin on a sustained basis
- Moderation in capital structure and debt coverage indicators
- Withdrawal or erosion of subordinated unsecured loan treated as quasi equity

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters with long track record**

AMCPL started operation from 1982 and having over four decades of long and proven operational track record. Similarly, the promoters have long-standing experience in processed food business. Currently, Mr. Anil Kumar Aggarwal, Managing Director, looks after day-to-day affairs of the company along with other director, Mr. Puneet Aggarwal along with a team of experienced personnel. Mr. Anil Kumar Aggarwal has over two decades of experience in this industry.

- **Association with reputed brand**

Since 2013, the company is associated with global beverage giant PepsiCo, where initially it was in contractual manufacturing and packaging of PepsiCo's namkeen brand 'Lehar' which later on discontinued and subsequently, since 2016, the company has inked an agreement for contractual manufacturing and packaging of 'Kurkure', a leading namkeen brand under PepsiCo. Being one of the market leaders in its own segment and a reputed business organization worldwide, downside business and financial risk remains minimal with the long standing association with PepsiCo.



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- **Continuous increase in scale of operations**

TOI has increased at a CAGR of ~10% during last three financial years ending in FY25 (refers to period April 1st, 2024 to March 31st, 2025) provisional with Y-o-Y marginal increase of ~4% over FY24 (refers to period April 1st, 2023 to March 31st, 2024) and ended at Rs. 255.40 crore in FY25 (provisional) on the back of larger requisition from clientele PepsiCo. EBITDA margin of the company improved to 9.22% in FY25 (provisional) as compared to 9.08% in the previous year FY24 on the back of primarily cost cutting measure opted by the company of distributing nearby states to lower fuel costs.

- **Moderate financial risk profile**

The financial risk profile of the company remained moderate over the years marked by moderate capital structure and adequate debt coverage indicators. Over the last three financial years ending in FY25 (provisional), operating margin has been improving and was satisfactory. Considering subordinated unsecured loan of Rs. 12.54 crore as quasi equity, adjusted overall gearing ratio improved to 1.67x as on March 31, 2025 (provisional) as compared to 1.85x as on March 31, 2024. The interest coverage ratio was satisfactory at 2.61x, whereas total debt to NCA was at 6.63x in FY25 (provisional). TOL/ATNW was improved and remained moderate at 1.93x as on March 31, 2025 (provisional) (2.27x as on March 31, 2024). Infomerics expects that, going forward, with the reduction in debt level coupled with introduction of new brand under own product line, financial risk profile will improve in the years to come.

Key Rating Weaknesses

- **Fortune linked with performance of principal and renewal policy**

AMCPL largely being a contractual manufacturer under PepsiCo, is vulnerable to the risk of change in policy by the principal with regards to the job work and periodical renewal. Accordingly, the financial risk profile of the company has a high degree of correlation with the performance of PepsiCo's snacks products like Kurkure in the market with the change in taste and preference of the buyers in the highly competitive market.

- **High degree of competition**

The company is exposed to the risk of high degree of competition due to low entry barrier. A considerable number of new manufacturing and processing facilities have entered the FMCG industry, specifically in the packaged food sector, affecting the market share of the current players. Growing logistics costs are the major barrier preventing the existing players from



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expanding geographically because it is not practical to pass on the increases to lower-priced products.

- **Working capital intensive nature of operation**

The operation of the company is working capital intensive, marked by 138 gross assets days (GCA days) during FY25 (provisional) and considering low credit period availed by the company, operating cycle remained around 95 days during FY25 (provisional). The same has elongated in FY25 with the increase in inventory period and collection period, as the company has stocked agro based seasonal raw materials for higher quantity production in the coming quarters. The average utilisation of working capital borrowing remained on moderate side at around 72% during last 12 months ending in July 2025. Infomerics believes that the operations of company will remain working capital intensive on account of nature of the food processing industry model.

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

AMCPL has earned a gross cash accrual of Rs. 13.68 crore in FY25 (Prov.). Further the company is expected to earn a gross cash accrual in the range of ~Rs. 16 to 23 crore as against its debt repayment obligations around ~Rs. 3 to 13 crore per year during FY26 (refers to period April 1st, 2025 to March 31st, 2026) to FY28 (refers to period April 1st, 2027 to March 31st, 2028). Accordingly, the liquidity position of the company is expected to remain adequate in the near to medium term. Further, average cash credit utilisation of the company remained moderate at ~72% during the past 12 months ended July 2025 indicating sufficient liquidity cushion.



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About the Company

AFP Manufacturing Co. Private Limited (AMCPL) was established as a partnership firm, namely, Aggarwal Food Products (AFP), in the year 1982 by one Agarwal family of Delhi, to initiate a food processing unit for manufacturing ready-to-eat items like namkeen, potato chips, bhujia etc. Later on, in the year 1999, the company incorporated into a Private Limited company and rechristened in the current name. The company markets its products under the brand name of 'Munchhonn' and sells by its own marketing network. Subsequently, since 2013 the company tied up with global beverage giant PepsiCo India for contract manufacturing of its snacks item 'Lehar' and later, since 2016, it has started contract manufacturing of 'Kurkure' and shifted its production base at Hajipur in Bihar with total installed capacity of 34,400 MTPA at present. The company is headquartered at Vikaspuri, Delhi, & having pan-India presence. Currently, Mr. Anil Kumar Aggarwal, Managing Director, looks after day-to-day affairs of the company along with other director, Mr. Puneet Aggarwal, and a team of experienced personnel.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	245.59	255.40
EBITDA	22.29	23.56
PAT	2.37	2.76
Total Debt	95.24	90.69
Adjusted Tangible Net Worth	51.46	54.22
EBITDA Margin (%)	9.08	9.22
PAT Margin (%)	0.97	1.08
Adjusted Overall Gearing Ratio (x)	1.85	1.67
Interest Coverage (x)	2.46	2.61

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:

India Ratings has continued the rating of AMCPL under Issuer Not Cooperating category due to non-submission of information by the company vide its press release dated February 11, 2025.

Acuite Ratings has moved the rating of AMCPL under Issuer Not Cooperating category due to non-submission of information by the company vide its press release dated March 07, 2025.



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Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (July 24, 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Term Loan	Long Term	17.86	IVR BBB-/ Stable	IVR BBB-/ Stable	-	-
2.	GECL	Long Term	-	Withdrawn	IVR BBB-/ Stable	-	-
3.	Cash Credit (incl. proposed limit)	Long Term	40.14	IVR BBB-/ Stable	IVR BBB-/ Stable	-	-
4.	Cash Credit	Long Term/Short Term	-	-	IVR BBB-/ Stable/ IVR A3	-	-
5.	Working Capital/ Multi-line Facilities	Long Term/Short Term	14.00*	IVR BBB-/ Stable/ IVR A3	IVR A3	-	-

**Includes sublimit of CC/WCDL/PIF/SIF*

Analytical Contacts:

Name: Sanmoy Lahiri Tel: (033) 4803 3621 Email: s.lahiri@infomerics.com	Name: Sandeep Khaitan Tel: (033) 4803 3621 Email: sandeep.khaitan@infomerics.com
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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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For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the 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: Instrument/Facility Details:

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	-	-	Withdrawn
GECL	-	-	-	-	-	Withdrawn
GECL-1.0 Ext	-	-	-	-	-	Withdrawn
Cash Credit	-	-	-	-	-	Withdrawn
Term Loan I	-	-	-	Nov. 2026	0.95	IVR BBB-/ Stable
Term Loan II	-	-	-	Dec. 2032	16.91	IVR BBB-/ Stable
Cash Credit I	-	-	-	-	34.50	IVR BBB-/ Stable
Proposed Cash Credit	-	-	-	-	5.64	IVR BBB-/ Stable
Working Capital/ Multi-line Facilities	-	-	-	-	14.00*	IVR BBB-/ Stable/ IVR A3

*Includes sublimit of CC/WCDL/PIF/SIF

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-AFP-sep25.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.