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Al Ammar Frozen Foods Exports Private Limited

July 24, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	95.00	IVR BBB+/Stable [IVR Triple B Plus with Stable outlook]	IVR BBB/Stable [IVR Triple B with Stable Outlook]	Rating Upgraded	Simple
Total	95.00	[Rupees Ninety-Five Crore only]			

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

Detailed Rationale

Infomerics Ratings has upgraded its rating assigned to the bank facilities for the long-term facilities to IVR BBB+ with stable outlook of Al Ammar Frozen Foods Exports Private Limited (AAFF).

The ratings have been upgraded on account of augmentation in scale of operations, supported by improved sales realizations, coupled with a comfortable financial risk profile. The ratings continue to derive comfort from the established track record of operations, experienced promoters with domain expertise in meat processing, and a consolidated financial profile backed by improved debt protection metrics. Further, the group enjoys a locational advantage in terms of easy availability of raw materials. However, the rating strengths are partially offset by moderate profitability margins, susceptibility to changes in government regulations, and the risks associated with the execution and stabilization of newly commenced operations under its group company, i.e., Pure Foodstuff Private Limited.

The 'Stable' outlook reflects expected improvement in the performance of the group. Infomerics believes the group will continue to benefit from its operational track record in the business resulting in increased scale of operations.

IVR has principally relied on the consolidated provisional financial result of AAFF up to FY25 (refers to period April 1st, 2024, to March 31st, 2025) and three years projected financials for FY2026 (refers to period April 1st, 2025, to March 31st, 2026) - FY2028 (refers to period April



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1st, 2027, to March 31st, 2028), along with publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

- **Upward Factors**
- Sustained growth in scale of business and improvement in profit margins leading to improvement in cash accruals and liquidity position.
- Sustained improvement in debt protection metrics, specific trigger for a rating upgrade includes TOL/TNW below unity on sustained basis.
- **Downward Factors**
- Significant reduction in the scale of operations and profitability margins.
- Any significant rise in working capital intensity or unplanned capex leading to any deterioration in the liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths:

Established track record of operations and experienced management

The group started operations in 2017 and has maintained a successful track record spanning approximately eight years in its current business line. AAFF is overseen by two directors, led by Mr. Shaik Fareed Shakir, who brings over 25 years of expertise in buffalo meat processing. He is supported by Mr. Asif Qureshi, another director with substantial experience in the meat processing industry, along with a competent management team. Over time, they have cultivated robust partnerships with customers and suppliers across domestic and international markets.

Growing scale of operation coupled with comfortable financial risk profile

The Total Operating Income (TOI) of the group increased by 18.53% in FY25 (Provisional), reaching Rs. 1131.96 crore as compared to Rs. 954.96 crore in FY24 (Audited). This growth in TOI was primarily driven by an increase in the sales volume of boneless buffalo frozen meat, coupled with higher sales realizations from buffalo meat products. The group's debt protection metrics remained comfortable and improved in FY25, supported by enhanced profitability. The Interest Coverage Ratio (ICR) improved to 7.42x in FY25 from 2.46x in FY24, while the Debt



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Service Coverage Ratio (DSCR) increased to 6.60x from 3.72x over the same period. Further, total debt to gross cash accruals (GCA) improved in FY25 and stood at 2.89 years as on March 31, 2025, as against 5.61 years as on March 31, 2024, due to increase in profitability. The group's capital structure remained comfortable. As of March 31, 2025 (Provisional), the Tangible Net Worth (TNW) stood at Rs. 144.67 crore compared to Rs. 140.20 crore as on March 31, 2024, on account of profit accretion to general reserve. The Total Outside Liabilities to TNW ratio stood at 0.95x as on March 31, 2025, deteriorated from 0.70x as on March 31, 2024, on account of increase in debt and higher utilization of working capital limits as on March 31, 2025. Overall gearing of group's remained comfortable and deteriorated to 0.64x as on March 31, 2025, compared to 0.52x as on March 31, 2024, primarily due to an increase in debt obligation.

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.

Expected growth in Indian buffalo meat export

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.

Key Rating Weaknesses:

Moderate operating profitability margins

The company strategically invested Rs. 70.79 crore in its subsidiary, Pure Foodstuff Private Limited, which operates a newly acquired buffalo meat processing facility with a capacity of 52,650 MT. The commencement of operations at this facility significantly boosted the group's profitability. In FY25, EBITDA margin improved to 3.31% from 1.24% in FY24 (up by 207 bps), while PAT margin rose to 2.46% from 1.02% (up by 144 bps), driven by higher turnover and better sales realizations. Consequently, Gross Cash Accruals increased from Rs. 13.10 crore in FY24 to Rs. 32.24 crore in FY25.



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Significant investment in group companies

In FY2024, the company made a substantial investment of approximately Rs. 71.00 crore in its group company, Pure Foodstuff Private Limited, for setting up a meat processing unit in Ghaziabad. The facility commenced operations and reported a Total Operating Income (TOI) of Rs. 286.60 crore in FY25, along with an EBITDA of Rs. 9.66 crore, reflecting a margin of 3.37%.

Vulnerability to fluctuation 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 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.

Analytical Approach: Consolidated.

For arriving at the ratings, Infomerics has consolidated view of AL Ammar Frozen Foods Exports Private Limited and its subsidiary i.e. Pure Foodstuff Private Limited (100%), based on common promoters/ management, cash flow fungibility and strong financial linkages between the entities. Infomerics has analysed the consolidated financial statement to arrive at the ratings. (Extent of Consolidation: Full).

(Reason for change in approach: In FY2024, the company invested around Rs. 71 crore in its group company, Pure Foodstuff Pvt Ltd., to set up a meat processing facility in Ghaziabad. Since the acquisition was incomplete during the last rating, AAFF was rated on a standalone basis. Now that the acquisition is complete and operations started in November 2024, the rating approach has been changed to consolidated to better reflect the group's overall financial and operational profile.)

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Criteria of consolidation of companies](#)

[Policy on Default Recognition](#)



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Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

The group has an adequate liquidity position. There are long-term secured borrowings from banks, amounting to Rs. 3.92 crore, as on 31 March 2025 (Prov). Against a current portion of long-term debt (CPLTD) of Rs 0.99 crore in FY2025, the company had a cash accrual of Rs. 32.24 crore in FY2025. The company projected to generate cash accruals of Rs. 44.87 crore in FY2026. With the adequate expected cash accruals against repayments, the liquidity position will remain adequate. The average utilization of fund based working capital limits of the company stood high at 63.55% during last 12 months ending May 2025.

About the Company

AAFF incorporated in June 2014, is engaged in the export of Halal frozen boneless buffalo meat and allied products. Its manufacturing unit in Aligarh, Uttar Pradesh, spans 41,830 sq. m. The company exports to the Middle East, Asia, Africa, and CIS countries, including the UAE, Iraq, Iran, Saudi Arabia, Egypt, and Vietnam. It has a wholly owned subsidiary, Pure Foodstuff Pvt Ltd., located in Dasna, Ghaziabad, which began commercial operations in November 2024.

Financials (Consolidated):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	954.96	1131.96
EBITDA	11.85	37.41
PAT	9.84	28.24
Total Debt	73.54	93.23
Tangible Net Worth	140.20	144.67
EBITDA Margin (%)	1.24	3.31
PAT Margin (%)	1.02	2.46
Overall Gearing Ratio (x)	0.52	0.64
Interest Coverage (x)	2.46	7.42

**Classification as per Infomerics Standard*

Status of non-cooperation with previous CRA: Vide press release dated June 23, 2025, CRISIL Ratings Limited have kept the ratings under non-cooperation category on account of non-submission of relevant information.



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Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (July 30, 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Fund Based Facilities	Long Term	95.00	IVR BBB+/Stable	IVR BBB/Stable	-	-

Name and Contact Details of the Rating Analyst:

Name: Vipin Jindal
Tel: (011) 45579024
Email: vipin.jindal@infomerics.com

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.

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

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Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	35.00	IVR BBB+/Stable
Cash Credit	-	-	-	-	60.00	IVR BBB+/Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-ammar-frozen-july25.pdf>

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

Annexure 4: List of companies considered for consolidated analysis:

Name of the company	Consolidation Approach
Al Ammar Frozen Foods Exports Private Limited	100%
Pure Foodstuff Private Limited	100%

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.