



Press Release
INDIA DAIRY FEEDS PRIVATE LIMITED
July 09, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	14.71	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	1.35	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	16.06	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long term of '**Acuite BBB**'(read as **Acuite triple B**)and short-term rating of '**Acuite A3+**'(read as **Acuite A three plus**) on the Rs.16.06 Cr. bank facilities of India Dairy Feeds Private Limited (IDFPL). The outlook is "**Stable**".

Rationale for rating

The rating reaffirmation reflects steady business risk profile of the company reflected by increased scale of operations to Rs. 204.93 Cr. in FY2025(Prov) against Rs.191.38 Cr. in FY2024. During FY2025, IDFPL has increased its capacity from 30000MT(metric tons) to 60000MT which has further enhanced the revenues of the company. The increase in revenues in FY2025(prov) is due to stabilisation of operations , favourable cost of raw materials and benefit from full utilisation of the enhanced facilities. Further,the operating profitability margin of the company has improved and stood comfortable at 7.31 per cent in FY2025(Prov) as compared to 6.42 per cent in the previous year.

Acuite further notes that the financial risk profile has improved at the back of comfortable capital structure, with healthy debt protection metrics. The rating also derives comfort from the improving liquidity position of the company marked by surplus cash accruals, absence of any new term debts and financial flexibility of the management to infuse funds.

The rating continues to reflect the extensive experience of the management and the strong association with AMUL. The rating also considers the healthy business risk profile coupled with efficient working capital management. However, these strengths are partially offset by the customer concentration risk and presence in a competitive and fragmented industry.

About the Company

Incorporated in 2006, Kolkata based India Dairy Feeds Private Limited (IDFPL) is promoted by Mr. Anirban Nath and Mrs. Sushmita Nath. The company is engaged in the manufacturing and packing of cattle feed of different varieties in high density polyethylene (HDPE) bags, or any other packing material as per the standard formulation for the Amul brand. The company has a manufacturing capacity of 60000MT located at Bankura, West Bengal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of IDFPL while arriving at the rating.

Strengths

Experienced management and strong association with AMUL

IDFPL is promoted by Mr. Anirban Nath and Mrs. Sushmita Nath having more than a decade of experience in dairy business through its group company which is India Dairy Products Limited (IDPL) and its established association with Amul Dairy since 2004. IDFPL had entered into an agreement with Kaira District Co-operative Milk Producers' Union Ltd, referred to as Amul Dairy, whereby Amul Dairy (Amul) will obtain cattle feed of different types produced by IDFPL, packed in HDPE bags or in different pack sizes as decided by Amul. IDFPL has the exclusive right to manufacture cattle feed for Amul in Eastern India and places as decided by Amul. Presently, though, due to continued relationship with Amul, the company has an open ended arrangement with Amul, and no assured off-take agreement exists with them. In addition the company is also looking after the marketing of the cattle feeds in order to increase its presence outside West Bengal specially Assam, Jharkhand, Bihar etc.

Steady scale of operations with modest improvement

The operating income of the company improved to Rs.204.93 Cr. in FY25(prov) from Rs.191.38 Cr. in FY24 and Rs.142.31 Cr. in FY23. This has been due to higher volumes sold at the back of enhanced production capacity. Additionally, operating margins have improved to 7.31% in FY25(prov) from 6.42% in FY24 as compared to 6.34% in FY23. The improvement in performance is on account of favourable raw material prices due to good monsoon season; supply chain not being affected by any climatic conditions, and stable rice prices. Also, restrictions were imposed on the exports of DORB (De-oiled Rice Bran) which is a major raw material to produce cattle feed. Previously, Vietnam imported high volumes of DORB, which reduced post restrictions, and this benefited IDFPL due to de-escalation of prices. Additionally, the pricing agreement with AMUL is favourable for IDFPL as they are paid factoring variations in raw material prices monthly, which provides comfort to its revenue profile.

Healthy financial risk profile

The tangible net worth of the company stood at Rs.30.23 Cr. as on March 31, 2025(Prov) as compared to Rs.21.54 Cr. as on March 31, 2024, due to accretion to reserves. This includes unsecured loans of Rs.1.49 Cr. treated as quasi equity as they are subordinated to bank loans. These loans are interest bearing ~7-8% and are paid out every year. The gearing of the company stood modest at 0.54 times as on 31 March, 2025(Prov) reduced from 0.63 times in FY24. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) reduced to 0.90 times for FY25(Prov) from 1.14 times as on March 31, 2024 and 1.71 times as on March 31, 2023. The debt protection metrics of the company remain comfortable marked by Interest coverage ratio (ICR) of 16.58 times and debt service coverage ratio (DSCR) of 5.06 times for FY2025(Prov). The net cash accruals to total debt (NCA/TD) stood at 0.72 times in FY2025(Prov). Acuite believes that the financial risk profile of the company is likely to remain at similar levels over the medium term.

Efficient working capital management:

The working capital management of the company is moderate marked by Gross Current Assets (GCA) of 56 days for FY2025(Prov) as compared to 46 days for FY2024. The inventory days of the company stood at 26 days in FY2025(Prov) as compared to 19 days in FY2024. Inventory build-up factors in variation in raw material prices for their product as major raw materials are agricultural products like maize, DORB, jowar etc. The debtor days stood at 16 days in FY2025(Prov) against 7 days in FY2024. Debtor days have increased in FY25 due to higher volumes being sold at year end. Days payable outstanding stood at 21 days for FY25(Prov) against 23 days in FY2024. Acuite believe that the working capital requirement of the Company would remain at similar levels over the medium term.

Weaknesses

Seasonal availability and volatility in prices of raw materials

Raw materials for animal feeds, including maize, soymeal, bajra, DORB, vitamins, and supplements, make up majority cost of sales. As key agro commodities, maize and soymeal are seasonal, with availability affected by weather, sowing patterns, and rainfall. Their prices are highly volatile due to global demand and diversion for human use, causing shortages in the feed industry. Additionally, low-quality grains like bajra, rice, and wheat are increasingly used for ethanol production, driving scarcity and price increases. Any adverse price movements impact profitability, though the company mitigates this risk by maintaining raw material inventory.

Fragmented and competitive nature of industry

The animal feed industry is highly fragmented and competitive, with both organized and unorganized players due to low entry barriers and the commoditized nature of the business. This industry is influenced by regional supply and demand, transportation challenges, and the perishability of products. Additionally, disease outbreaks can reduce feed demand and negatively impact industry players.

Customer concentration risk

IDFPL is exposed to customer concentration risk as the company is dependent on Amul Dairy to drive its revenue

profile. Acuité believes that any customer concentration risk exposes the entity to risks related to changes in the requirements and policies of the customers. However, this is mitigated from the open agreements entered into with their customer which provides adequate revenue visibility over the medium term.

Rating Sensitivities

- Scaling up of operations while maintaining their profitability margin
- Sustenance of their conservative capital structure
- Working capital management

Liquidity Position Adequate

The company has adequate liquidity marked by healthy net cash accruals of Rs.11.84 crore as against Rs.1.57 crore long term debt obligation during FY2025(Prov). The cash accruals of the company are expected to improve at the back of improving volumes and profitability as against long-term debt obligations. The current ratio of the company stood moderate at 1.36 times in FY2025(Prov).The bank limit of the company has been ~62 per cent utilized during the last six months ended in March 2025. Acuité believes that the liquidity of the company is likely to remain adequate over the medium term on account of healthy cash accruals against minimum long term debt repayments, low working capital requirements, and improving current ratio over the medium term.

Outlook : Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	204.93	191.38
PAT	Rs. Cr.	8.81	5.74
PAT Margin	(%)	4.30	3.00
Total Debt/Tangible Net Worth	Times	0.54	0.63
PBDIT/Interest	Times	16.58	9.09

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook	
12 Apr 2024	Bank Guarantee (BLR)	Short Term	0.49	ACUITE A3+ (Reaffirmed)	
	Bank Guarantee (BLR)	Short Term	0.86	ACUITE A3+ (Assigned)	
	Cash Credit	Long Term	5.00	ACUITE BBB	Stable (Reaffirmed)
	Term Loan	Long Term	3.82	ACUITE BBB	Stable (Reaffirmed)
	Term Loan	Long Term	4.14	ACUITE BBB	Stable (Assigned)
	Stand By Line of Credit	Long Term	0.63	ACUITE BBB	Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.10	ACUITE BBB	Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.02	ACUITE BBB	Stable (Reaffirmed)
13 Jan 2023	Bank Guarantee (BLR)	Short Term	0.49	ACUITE A3+ (Reaffirmed)	
	Cash Credit	Long Term	5.63	ACUITE BBB	Stable (Reaffirmed)
	Term Loan	Long Term	4.64	ACUITE BBB	Stable (Reaffirmed)
	Proposed Term Loan	Long Term	0.30	ACUITE BBB	Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.35	Simple	ACUITE A3+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	1.10	Simple	ACUITE BBB Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2024	0.02	Simple	ACUITE BBB Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.63	Simple	ACUITE BBB Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2029	7.96	Simple	ACUITE BBB Stable Reaffirmed

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About Acuité Ratings & Research

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