



Press Release
INDO ALLIED PROTEIN FOODS PRIVATE LIMITED
July 01, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	65.00	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	10.80	-	ACUITE A3+ Assigned
Bank Loan Ratings	10.00	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	85.80	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple Bo**)n the Rs.65.00 Cr. bank facilities and the short-term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**)on the Rs.10.00 Cr. bank facilities of Indo Allied Protein Foods Private Limited (IAPFPL). The outlook is '**Stable**'. Further, Acuité has assigned the short-term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**)on the Rs.10.80 Cr. bank facilities of Indo Allied Protein Foods Private Limited (IAPFPL).

Rationale for rating

The rating takes into consideration the experienced management with long track record of operations and healthy financial risk profile of the Indo group. The rating factors in the robust scale of operations of the group as witnessed ~100% growth in FY24 revenues on account of increase in order inflows during the year, however, moderated in FY25 owing to slowdown in tender floating by the Maharashtra state government due to elections. Further, the rating also factors in the healthy but declining operating profit margin over the years owing to limited pricing power on these tender based sales and increasing inputs costs. Acuite believes that the group's scale of operations will remain healthy supported by the continued focus of government on welfare schemes leading to repeated order inflows. However, the rating remains constrained on account of the working capital-intensive operations with high receivable days, high customer concentration risk and vulnerability of operating performance to budgetary allocations and tender floating by the state government with limited pricing power. Moreover, the significant capital withdrawals in the partnership firms continue to affect the net worth of the group.

About the Company

Incorporated on December 31, 2003; Indo Allied Protein Foods Private Limited (IAPFPL) is a Maharashtra based company engaged primarily in trading and supplying of food articles such as edible oil, pulses, etc. and non-food items such as shoes, safety kit, notebook, baby kit, etc. to the Maharashtra State Government departments under schemes like Integrated Child Development Scheme, Saksham Anganwadi, Poshan 2.0 scheme, Samagra Shikshan Abhiyan etc. The Mumbai based company also has its own manufacturing facility in Chakan, where it produces ready to cook food like Upma, noodles, etc. Further, it also has central kitchen in Bhiwandi to supply meals under the state government schemes. The company is currently managed by Mr. Rajan Jadhav and Mr. Santosh Bhosale.

About the Group

Indo Group comprising Indo Allied Protein Foods Private Limited (IAPFPL), Saroj Enterprise and Shiva Enterprise, is mainly into trading and supply of food and non-food items to the various departments of the Maharashtra State Government under the state welfare schemes. While IAPFPL supplies directly to the state government departments; Saroj Enterprise and Shiva Enterprise (partnership firms) supply to private players, who

in turn supply to the state government departments.

Unsupported Rating

Not Applicable.

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the business and financial risk profiles of Indo Allied Protein Foods Private Limited (IAPFPL), Shiva Enterprise and Saroj Enterprise, collectively referred to as the Indo Group. The consolidation takes into consideration the similar line of business, common management and significant operational and financial linkages.

Key Rating Drivers

Strengths

Experienced management and long-track record of operations of the group

Indo Group has been present in the welfare scheme supply industry for over 15 years and is supported by a well experienced and qualified management personnel. Mr. Rajan Jadhav, promoter and CEO of the group, has a business experience of more than three decades. From starting only as a trader and supplier to the various departments of Maharashtra State Government, the group has now expanded its operations to manufacturing and supply of ready to cook food items also. Therefore, the experience of the promoters has helped the group to expand its product offerings.

Robust scale of operations

The revenue of the group significantly grew and stood at Rs. 2,583.66 Cr. in FY24 as against Rs. 1,293.78 Cr. in FY23 on account of repetitive order inflows during the year under the welfare schemes. However, the revenues of the group moderated in FY25 to ~Rs.1,600 Cr. owing to lower spends by state government on welfare schemes owing to the state elections. Further, the margins of the group continue to decline but remain healthy at 16.15% in FY24 against 20.38% in FY23. The reduction in margin is on account of limited pricing power (since prices are decided by the authorities in the tenders) and rising input costs.

Moreover, the established track record of operations, continued focus of government on welfare schemes leading to repeated and healthy order inflows is expected to keep the scale of operations healthy in the medium term.

Healthy financial risk profile

The financial risk profile of the group is marked healthy with a strong net worth, healthy capital structure and comfortable debt protection metrics. The growing profits led to improvement in group's networth to Rs.727.38 Cr. as on 31st March, 2024 against Rs. 552.08 Cr. as on 31st March, 2023 despite significant withdrawal of capital worth ~Rs.174 Cr. (~Rs.113 Cr. in FY23). The gearing also remained healthy at 0.18 times as on 31st March, 2024 (0.22 times as on 31st March, 2023) in absence of any long term debt. Further, total outside liabilities to total net worth (TOL/TNW) stood comfortable at 0.54 times as on 31st March, 2024 (0.60 times 31st March, 2023).

Weaknesses

Moderately intensive working capital operations

The working capital operations of the group is moderately intensive marked by gross current asset (GCA) of 105 days in FY24 as against 178 days for FY23. The high GCA days is majorly on account of elongated debtor days even though improved in FY24. The debtor days stood at 52 days in FY24 against 124 days in FY23. The elongation is due to delay in release of payments under the government welfare schemes. Additionally, the inventory days also improved from 45 days in FY23 to 14 days in FY24 on account of repeated orders which led to no stocking up.

Vulnerability of operating performance to state government welfare policies

The tenders under the state welfare schemes are primarily based on the state regulations and budgetary allocations. Further, since the contract price in such tenders is determined by the authorities, the group has limited pricing power thereby affecting the margins. Further, the group's revenue is directly linked to the successful bidding of orders amidst high competition intensity. Moreover, the group has high client concentration as its entire business is directly or indirectly relied on the state government of Maharashtra.

Significant capital withdrawal from partnership firms

The partnership firms of the group withdraw significant capitals (~Rs.174 Cr. in FY24, ~Rs.113 Cr. in FY23) limiting the growth in net-worth.

Rating Sensitivities

- Growing scale of operations while maintaining the profitability margins.
- Elongation in working capital cycle or increase in borrowings impacting the financial risk profile.
- Significant withdrawals by partners affecting the net worth of the firm.

Liquidity Position

Strong

Indo group's liquidity position is strong which is evident from sufficient net cash accruals (NCA) against the no major debt repayment obligations. The group has reported Net Cash Accruals (NCA) (unadjusted for capital withdrawals) of Rs.369.94 Cr. as on 31st March, 2024 as against Rs.231.35 Cr. as on 31st March, 2023 against minuscule debt repayment obligations of Rs.2.35 Cr. The cash accruals are estimated to remain in the range of Rs.200-250 Cr. in the medium term against expected debt repayment range of Rs.1.66 Cr. for the same period. The group has high unencumbered cash and bank balances of Rs.205.69 Cr. as on 31st March, 2024 providing additional comfort towards liquidity. The average utilization of the working capital limits of the group also remained moderate at ~60 percent for past six months ending March 31, 2025. Besides current ratio of the group stood healthy at 2.53 times as on 31st March, 2024.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	2583.66	1293.78
PAT	Rs. Cr.	349.89	220.76
PAT Margin	(%)	13.54	17.06
Total Debt/Tangible Net Worth	Times	0.18	0.22
PBDIT/Interest	Times	86.96	48.08

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

Not Applicable.

Any Other Information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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
03 Apr 2024	Bank Guarantee (BLR)	Short Term	0.80	ACUITE A3+ Upgraded
	Cash Credit	Long Term	40.00	ACUITE BBB Stable (Upgraded from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	9.20	ACUITE BBB Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	25.00	ACUITE BBB Stable (Assigned)
26 Dec 2023	Cash Credit	Long Term	40.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Proposed Long Term Bank Facility	Long Term	10.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
06 Oct 2022	Cash Credit	Long Term	40.00	ACUITE BBB Stable (Upgraded from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	10.00	ACUITE BBB Stable (Upgraded from ACUITE BB+)
15 Jun 2022	Cash Credit	Long Term	40.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	10.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.20	Simple	ACUITE A3+ Reaffirmed
Janata Sahakari Bank Ltd (Pune)	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.80	Simple	ACUITE A3+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.80	Simple	ACUITE A3+ Assigned
Bank of Maharashtra	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB Stable Reaffirmed
Janata Sahakari Bank Ltd (Pune)	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BBB Stable Reaffirmed

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No	Company Name
1	Indo Allied Protein Foods Private Limited
2	Shiva Enterprise
3	Saroj Enterprise

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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