



Press Release
RUSTAM FOODS PRIVATE LIMITED
November 06, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	215.00	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	21.00	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	236.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) and its short-term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs. 236.00 Cr. bank facilities of Rustam Foods Private Limited (RFPL). The outlook is '**Stable**'.

Rationale for rating

The rating takes into account the long track record of operations of the company of more than 15 years along with extensive experience of the promoters. Further, the rating also factors in the strategic location of the plant and on the improvement in the company's revenue, which grew by approximately 29.17% which stood at Rs. 1117.87 Cr. in FY25 against Rs. 865.45 Cr. in FY24. The rise in operating income is primarily due to increased volume sales. The rating also draws comfort from moderate financial risk profile. These strengths are however, partly offset by thin profitability margins, inherent risk associated with the meat industry being a highly competitive and fragmented industry. Acuite notes that the company hedges against the foreign exchange risk by entering into forward contracts.

About the Company

Incorporated in 2006, Rustam Foods Private Limited (RFPL) is an Unnao, Uttar Pradesh based company, promoted by Mr. Mohammad Saleem and Mrs. Shahin Mohammed Salim Qureshi. The company is a DGFT certified three-star export house and is engaged in processing of frozen boneless buffalo meat. The company has an APEDA registered Modern Integrated Abattoir cum Meat Processing Plant in Uttar Pradesh.

Unsupported Rating

Not Applicable

Analytical Approach

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

Key Rating Drivers

Strengths

Long track record of operations and experienced management

RFPL has a long operational track record of more than 15 years in the meat processing industry. Further, the promoter, Mr. Mohammad Saleem has extensive experience spanning

over three decades in the meat industry. The company is a DGFT-certified three-star export house and is engaged in the processing of frozen boneless buffalo meat. Acuite believes that the company's long track record of operations and the promoter's extensive understanding and expertise will benefit the company going forward, resulting in steady growth in the scale of operations.

Improvement in scale of operations albeit slight moderation in profitability

The company has witnessed the growth in the revenue from operations by ~29.17% which stood at Rs. 1117.87 Cr. in FY25 against Rs. 865.45 Cr. in FY24. The rise in operating income is primarily due to increased volume sales, driven by higher international demand. Specifically, demand, which was lower in FY24 due to the financial crisis in Egypt, has now resolved leading to such increase in FY25. Operating margin of the company stood at 3.54% in FY25 against 3.91% in FY24. This decline is mainly attributable to the fluctuation in raw material prices. The Net margin stood at 1.51% in FY25 against 1.47% in FY24. Company has achieved the revenue of Rs. 447.94 Cr. in 5MFY26. Additionally, company has unexecuted order book of ~Rs. 154 Cr. as on 31st August 2025. Acuite believes that going forward the performance of the company is expected to improve over the medium term.

Moderate Financial Risk Profile

The company has moderate financial risk profile marked by Total Tangible net worth stood at Rs. 171.16 Cr. as on 31st March 2025 against Rs. 154.25 Cr. as on 31st March 2024, increase in net worth is on account of profit accretion. The total debt outstanding of the company is Rs. 174.08 Cr. as on 31st March, 2025 against Rs. 171.04 Cr. as on 31st March 2024. Debt to Equity ratio stood at 1.02 times in FY25 against 1.11 times in FY24. Interest coverage ratio stood at 3.00 times for FY25 as against 2.63 times in FY24. Debt Service coverage ratio stood at 1.91 times for FY25 as against 1.42 times in FY24. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.33 times as on March 31, 2025 as against 1.43 times as on March 31, 2024. Acuite believes that going forward the financial risk profile of the company will be sustained backed by steady accruals and no major debt funded capex plans.

Weaknesses

Intensive working capital operations

The working capital operations of the company is intensive marked by GCA days of 116 days in FY25 against 140 days in FY24. There is an improvement in the GCA days due to the inventory days of the company which stood at 85 day in FY25 against 104 days in FY24 with debtor days of the company stood at 4 days in FY25 against 8 days in FY24 and creditor days stood at 4 days in FY25 against 6 days in FY24. Going forward, the working capital operations of the company is expected to remain at similar level over the medium term.

Highly competitive nature of the industry

The Indian meat processing industry is highly competitive, with the presence of a large number of players leading to a highly competitive industry and thus, putting pressure on the profitability margins of the companies. There are a number of abattoirs and meat processing plants registered with the Agricultural and Processed Food Products Export Development Authority (APEDA). Further, most of the meat processing and export-oriented units in the country are situated in U.P., Punjab, Maharashtra, and Andhra Pradesh.

Inherent business risks and regulatory risks

The business is exposed to significant challenges, such as disease outbreaks in the cattle population. Also, the industry is socially and politically sensitive in the country. Factors such as these can impact the availability and processing of buffalo meat. Moreover, as the company earns a major share of its revenue from the export market, its profitability remains exposed to the risk of any adverse regulatory development in the importing country.

Rating Sensitivities

- Movement in scale of operations and profitability margins
- Movement in working capital operations.

Liquidity Position**Adequate**

The liquidity profile of the company is adequate. The net cash accruals of company stood at Rs. 20.38 Cr. in FY25 against the debt obligation of Rs. 4.40 Cr. for the same period. Current ratio stood at 1.60 times for FY25 against 1.56 times in FY24. The company has cash & bank position of Rs. 12.77 Cr. The average fund based bank limit utilization is at 87.82% for the 6 months' period ending September 2025. Acuité believes that going forward the company will maintain adequate liquidity position due to steady accruals.

Outlook: Stable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	1,117.87	865.45
PAT	Rs. Cr.	16.91	12.75
PAT Margin	(%)	1.51	1.47
Total Debt/Tangible Net Worth	Times	1.02	1.11
PBDIT/Interest	Times	3.00	2.63

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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
08 Aug 2024	Derivative Exposure	Short Term	8.00	ACUITE A3+ (Reaffirmed)
	Derivative Exposure	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Derivative Exposure	Short Term	8.00	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	6.12	ACUITE A3+ (Reaffirmed)
	Packing Credit	Long Term	50.00	ACUITE BBB Stable (Reaffirmed)
	Packing Credit	Long Term	18.50	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	9.39	ACUITE BBB Stable (Reaffirmed)
	Packing Credit	Long Term	116.50	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	14.49	ACUITE BBB Stable (Reaffirmed)
08 Jun 2023	Short-term Loan	Short Term	8.00	ACUITE A3+ (Reaffirmed)
	Short-term Loan	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	6.12	ACUITE A3+ (Reaffirmed)
	Short-term Loan	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Packing Credit	Long Term	116.50	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	16.88	ACUITE BBB Stable (Reaffirmed)
	Packing Credit	Long Term	18.50	ACUITE BBB Stable (Reaffirmed)
	Packing Credit	Long Term	50.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
31 May 2023	Packing Credit	Short Term	116.50	ACUITE A3+ (Assigned)
	Packing Credit	Short Term	18.50	ACUITE A3+ (Assigned)
	Packing Credit	Short Term	50.00	ACUITE A3+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	18.00	ACUITE A3+ (Assigned)
	Term Loan	Long Term	16.86	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Proposed Working Capital Demand Loan	Long Term	11.14	ACUITE BBB Stable (Assigned)

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.	Derivative Exposure	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A3+ Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Derivative Exposure	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A3+ Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Derivative Exposure	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A3+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	116.50	Simple	ACUITE BBB Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.50	Simple	ACUITE BBB Stable Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	75.00	Simple	ACUITE BBB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.34	Simple	ACUITE BBB Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	24 Feb 2021	Not avl. / Not appl.	31 Jan 2026	1.66	Simple	ACUITE BBB Stable Reaffirmed

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About Acuité Ratings & Research

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