

AL-Sami Food Exports Private Limited

April 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	23.00	CARE BB+; Stable	Assigned
Long Term / Short Term Bank Facilities	25.00 (Enhanced from 9.00)	CARE BB+; Stable / CARE A4+	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE BB-; Stable / CARE A4
Long Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

For arriving at the ratings, CARE Ratings Limited (CARE Ratings) has combined the business and financial risk profiles of AL-Sami Food Exports Private Limited (AFEPL) and AL-Sami Agro Products Private Limited (AAPPL) together referred as AL-Sami Group.

The revision in ratings assigned to the bank facilities of AL-Sami Group takes into consideration improvement in financial profile of the group in last four years ended FY24 [FY refers to the period April 01 to March 31], comfortable capital structure. The ratings are constrained by moderate profitability margins, low operational capacity utilisation, geographical and client concentration risk, project risk, extensively used working capital limits, fluctuating raw material prices and presence in a highly competitive and regulated industry. However, the ratings derive strength from resourceful and long-standing experience of the promoters, comfortable operating cycle, favourable location of the plant facilities and stable industry outlook.

CARE Ratings Limited has withdrawn the rating assigned to the Bank Facilities (Cash Credit) of AFEPL with immediate effect, as the limit has been converted to export packing credit (EPC) and there is no outstanding under the CC facility as on date.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in Total income from operation of the group to Rs. 700 crores
- Increase in PBILDT margin above 4% on sustain basis

Negative factors

- Increase in overall gearing beyond 1.5x on sustained basis
- Decrease in PBILDT margin below 1.5%.

Analytical approach: Combined

CARE has considered combined view of AFEPL and AAPPL, to arrive at the ratings as the companies have common promoters, operate in the same line of business and have significant financial linkages.

Outlook: Stable

CARE Ratings Limited believes that Al-Sami Group will continue to sustain its scale of operation and cash accruals aided by stable export demand in the industry.

Detailed description of key rating drivers:

Key weaknesses

Moderate profitability margins: Profitability marked by PBILDT margin remained in the range of 3-3.75% over last four years ended FY24. Given the increase in competition in the similar line of business, the operating profit margin has witnessed marginal moderation. However, remained above 3% and stood at 3.06% in FY24. In FY24, the group reported exceptional income of Rs.9.82 crore which led to higher PAT margin of 2.99% in FY24. Excluding the same, PAT remains at Rs.3.54 crore and adjusted PAT margin stood at 0.79%.

Low operational capacity in past years: The group has fully owned, controlled and operational buffalo meat processing plant in Kolkata (West Bengal), Hyderabad (Telangana), Rajahmundry and Nuzvid (Andhra Pradesh) for Al-Sami Food Exports Private Limited and in Kathipudi (Andhra Pradesh) for Al-Sami Agro Products Private Limited. AFEPL started its own plant in Nuzivid in August 2022 with an installed capacity of 14,560 MT/annum increased to 24,000 MT/annum in FY24. Capacity utilisation for AFEPL

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

and AAPPL stood low for past 3 years i.e. FY22-24. For 9MFY25 utilisation for AFEPL increased to ~67%, however, for AAPPL, its remained low at ~28%. Though AFEPL has plants in multiple locations, it is now concentrating on processing at its new plant location in Nuzvid, AP. Plants located in Kolkata and Hyderabad are operated based on the orders and raw material availability.

Geographical and client concentration risk: Al-Sami group operates as an export-oriented unit with ~89% of total sales in FY24 against ~86% in FY23 constituting of export sales. As Vietnam is the biggest market for beef exporters in India, it continuous to remain an important market for the company contributing 49.51% of the total export sales in FY24 (9MFY25: 48.40%). Given the increase in exposure to Vietnam, the group is facing the risk of geographical concentration risk. However, with established relationship, the risk is mitigated to a certain extent.

Project risk: AFEPL is in process of enhancing its slaughtering and meat processing capacity at its Andhra Pradesh factory and estimated the proposed project cost at Rs 33.50 Crores. AFEPL already has a unit for processing meat and meat products near Nuzvid, AP and has proposed an expansion for the buffalo slaughtering capacity from the existing level of 440 animals per day to 640 animals per day at its existing meat processing unit.

The company has estimated overall project outlay of Rs 33.50 crore which is being funded by promoters' contribution of Rs.10.50 crore consisting of share capital of Rs.8 crore, unsecured loans of Rs.2.50 crore and term loan to the tune of Rs.23 crores. Promoters have already infused the share capital amounting to Rs.8 crore by end of March 31, 2025, and the financial closure is achieved.

Presence in a highly competitive and regulated industry: The import of meat products in many countries are subject to the regulatory approvals. Any change in the trade policies of the importing countries may adversely affect the exporters. The regular quality checks are undertaken as per regulatory guidelines of the respective countries. Further, the approval given by the Indian government for the operations of a slaughterhouse is to be renewed every year. Moreover, any change in the government policies, either domestic or international is likely to affect the revenues of the company. The earnings are also susceptible to strict regulatory policies relating to tariff barriers (custom duty), non- tariffs barriers (restriction on quality of imports), anti- dumping duties, international freight rates and port charges. The meat processing industry is further exposed to various risks such as risk of disease out-break.

Key Strengths

Increased revenue in past 4 years: The total operating income of the group increased at a CAGR of about 15% from Rs. 295.81 crore in FY21 to Rs. 447.37 crore FY24. This is led by increased demand and stable capacity utilisation over the past 4 years. Majority of the revenue for the group came from export sales which constituted around 88% of the total revenue in the past 4 years. The group exports processed buffalo meat and meat products to various countries like UAE, Vietnam, Afghanistan, Jordan, Hong Kong, Algeria, Bahrain, Thailand, Egypt, Kuwait, Oman, Qatar and Myanmar among others.

Comfortable capital structure: The capital structure of the group has improved marginally over the years with the overall gearing witnessing an improvement from 1.14x as on March 31, 2021, to 0.88x as on March 31, 2024, owing to increase in networth from Rs. 31.88 crore as on March 31, 2021, to Rs.60.14 crore as on March 31, 2024. AFEPL is in process of setting up a cold storage and processing unit in its Nuzvid plant towards which the term loan of Rs.23 crore is availed. The term loan is expected to be disbursed in FY26 and FY27. Hence, the overall gearing as of March 31, 2026, is expected to deteriorate to 0.99x. Despite deterioration, the same is expected to remain at comfortable level with accretion of profits to networth.

Other debt coverage indicators, interest coverage ratio remained comfortable at 2.18x in FY24. However, TDGCA stood on a higher side at 3.09x in FY24 despite improving from 6.28x in FY23.

Comfortable operating cycle: The operating cycle of the group remained moderate compared to industry trend. The average inventory days improved and stood at 78 days in FY24 (improved from 93 days in FY23 and 98 days in FY22) primarily on account of faster order processing. The collection period also remained low at 32 days in FY24 as against 46 days in FY23 resulting in moderate overall operating cycle at 48 days in FY24 (51 days in FY23).

The group receives upfront payment to an extent of 10-15% of total invoice and the balance is received once the shipment reaches the destination port. Given that majority of sales is to Vietnam, average time of transit is about 25 days.

Resourceful and experienced promoters: The entire shareholding for all the group companies lies within the group entities and the Promoters i.e., Mr. Abdul Salam (Managing Director), his wife Mrs. Ajim Unnisa Begum (Director) and their son Mr. Md Abdulla (Executive Director). The Management of the group has an experience of more than 15 years in the industry and well-defined roles and responsibilities. Mr. Abdul Salam manages raw material procurement and Mr. Abdulla is responsible for handling export sales. The promoters are also resourceful and have infused fund in the form of share capital and unsecured loans to support the working capital requirements given the increasing scale of operations.

Favourable geographical location of facilities: Al-Sami group's processing facilities are strategically located at regions close to the shipping ports for easy shipment of the finished products. Al-Sami group has 4 fully integrated and functional meat processing units in West Bengal (Kolkata), and Andhra Pradesh (Rajahmundry, Nuzvid and Kathipudi). Apart from these, the group also operates a unit in Telangana (Hyderabad) which is on a lease basis. These locations are the meat processing hubs in India providing an easy access to raw material and skilled labour. The entire slaughtering, processing and storage of meat is done

in the respective plants and the finished goods are dispatched from the near-by shipping port-Vishakhapatnam port to various countries.

Liquidity: Adequate

The liquidity position of the group is adequate with a GCA of Rs. 17.19 crore in FY24 as against no repayment obligations in FY25 and FY26 coupled with healthy cash and bank balance of Rs. 4.67 crore and with a below unity gearing of 0.80 times as of March 31, 2024. Liquidity is further supported by current ratio of 1.21x. AFEPL has availed a term loan amounting to Rs. 23 crore which will be sanctioned in FY26 and repayment for the same shall begin from September 2026. The group's bank limits are utilized to the extent of 96.45% during the last 12-month period ended on March 31, 2025.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Meat Products including Poultry

AL-Sami group comprises of three companies namely, AL-Sami Food Exports Private Limited (AFEPL), AL-Sami Agro Products Private Ltd (AAPPL) and AL-Sami Cold Storage (ACS). The group is engaged in the activity of processing and export of buffalo meat. The group has been promoted by Mr. Abdul Salam and Mrs. Ajim Unnisa Begum and it commenced operations with AL-Sami Cold Storage during 2008. The company initially started operation by undertaking beef processing and packaging activity on job-work basis based on the orders received. Later in 2009, the group expanded its scope of business by incorporating AFEPL on October 20, 2009, and established a fully functional and integrated meat processing unit in Kolkata (West Bengal) and thereafter started its export line from 2011.

Al-Sami Group – Combined Financials

Brief Financials (₹ crore)	March 31, 2023 (UA)	March 31, 2024 (UA)	9MFY25 (UA)
Total operating income	332.57	447.37	427.00
PBILDT	11.05	13.67	11.11
PAT	3.09	13.36	4.23
Overall gearing (times)	0.94	0.88	NA
Interest coverage (times)	3.74	2.18	2.91

UA: Unaudited; NA: Not Available; Note: these are latest available financial results

AFEPL- Standalone Financials

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	126.84	217.35	234.47
PBILDT	4.36	6.41	5.90
PAT	1.24	5.23	1.86
Overall gearing (times)	1.07	1.12	NA
Interest coverage (times)	2.76	1.89	2.37

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: The ratings of Al-Sami Food Exports Private Limited continues to be remain under INC category by CRISIL vide its PR dated February 19, 2025, respectively due to absence of requisite information from the company.

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan	-	-	-	March 2034	23.00	CARE BB+; Stable
Fund-based - LT/ ST-EPC/PSC	-	-	-	-	25.00	CARE BB+; Stable / CARE A4+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ST-EPC/PSC	LT/ST	25.00	CARE BB+; Stable / CARE A4+	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING * (08-Apr-24)	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING * (23-Jan-23)
2	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (08-Apr-24)	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (23-Jan-23)
3	Fund-based - LT-Term Loan	LT	23.00	CARE BB+; Stable	-	-	-	-

*Issuer did not cooperate; based on best available information.

ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-EPC/PSC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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