

## Deepkiran Foods Private Limited

March 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term / Short Term Bank Facilities	17.00	CARE A; Negative / CARE A1	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

For arriving at ratings of Deepkiran Foods Private Limited (DFPL), CARE Ratings Limited (CareEdge Ratings) has taken a combined view of two entities promoted by the Amin family, viz. DFPL, and Innovative Cuisine Private Limited (ICPL) (rated CARE A; Negative/CARE A1) together referred to as 'the group' due to their managerial, operational, and financial linkages.

Ratings continue to derive strength from the promoters' extensive experience in the processed food industry, established manufacturing setup with diversified product offerings, and assured off-take arrangement with the promoter group's flagship company - Deep Foods Inc. (DFI; which has an established presence in the processed food industry in the United States of America [USA]). Ratings further derive strength from the group's comfortable capital structure, adequate liquidity and favourable growth prospects for industry. The ratings however take cognisance of moderation in group's profitability and debt coverage indicators in current year owing to imposition of an import alert on ICPL by United States Food and Drug Administration (USFDA), which has led to discontinuation of ICPL's sales to its largest market, the USA, from H2FY26 (refers to October 01 to March 31) onwards and consequently, has resulted in a decline in the group's scale of operations, profitability and debt coverage indicators. The same are expected to remain subdued in the near term depending upon the timeline of the resolution of the aforesaid matter and shall remain a key rating monitorable.

The ratings, continue to remain constrained on account of group's moderate scale of operations, dependence of raw material sourcing on vagaries of monsoon and high customer as well as geographical concentration of revenue. The ratings are also constrained on account of the fixed price agreement with DFI, which exposes the group's profitability to volatility in raw material prices and foreign exchange rates.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significant growth in the scale of operations of the group, marked by total operating income (TOI) of ₹500 crore along with greater geographical diversification of sales.
- Profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 20% on a sustained basis by efficient management of volatility associated with raw material prices and competitive pressures associated with venturing into newer geographies.
- Improvement in return on capital employed (ROCE) above 18%, on a sustained basis.

#### Negative factors

- Lower than envisaged generation of revenue and profitability owing to inordinate delay in resolution of the import alert imposed on ICPL by the USFDA
- Deterioration in overall gearing beyond 0.75x on a sustained basis.
- Any significant debt-funded capex resulting in moderation in total debt to PBILDT [TD/PBILDT] beyond 2x on a sustained basis.

#### Analytical approach: Combined

CareEdge Ratings has taken a combined view of DFPL and ICPL due to their managerial (common shareholding and directorships), operational (similar product portfolio of ready-to-eat [RTE] products), and financial (investment of DFPL in ICPL and extension of unsecured loans by DFPL to ICPL as and when required) linkages. Details of the entities combined are shown in **Annexure-6**.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Outlook: Negative**

The revision in outlook from 'Stable' to 'Negative' is on account of moderation in profitability and debt coverage indicators of the group in current year, i.e. FY26 owing to imposition of an import alert on ICPL. CareEdge Ratings anticipates that the group's overall performance will remain subdued in FY27 as well until the matter is resolved, which could further impact the debt coverage indicators.

Outlook shall be revised to 'Stable' if the group's performance remains better than envisaged leading to an improvement in the PBILDT margin and coverage indicators, alongwith sustenance of its comfortable capital structure and healthy liquidity.

**Detailed description of key rating drivers:****Key strengths****Extensive experience of the promoters in the processed food industry along with assured off-take arrangement**

The founder directors of both the entities, Bhagwati Amin and Arvind Amin, possess around five decades of experience in the processed food industry through their flagship company, DFI in the USA, which was established in 1977. Furthermore, they are assisted by experienced second-tier management in India for smooth functioning of manufacturing operations.

DFI has a well-established production and distribution facility in the USA and owns warehouses across 45 states in the country. DFPL and ICPL have an assured off-take arrangement for their entire production with DFI, which ensures a ready and assured market for the food products manufactured by the group.

**Well-established operational set up and diversified product offerings**

DFPL and ICPL have an operational track record of over two decades and over one decade, respectively. The manufacturing facilities of the entities are certified by the USFDA, National Science Foundation (NSF) and ISOQAR – ISO 22000:2005.

DFPL manufactures more than 85 RTE products through spiral freezing technique and has a wider product portfolio, whereas ICPL also offers more than 60 items with primary focus on export of cut vegetables and fruits through Individual Quick Freezing (IQF) technique, apart from RTE products which it started in FY18. Furthermore, during FY25 and FY26, ICPL also added different type of curries and snacks in its portfolio.

**Moderate scale of operations with moderation in profitability**

During FY25, the group registered growth of 11.78% in its TOI to ₹567.69 crore, backed by growth in sales volume. However, the TOI moderated to ₹344.59 crore in 9MFY26 (as against TOI of ₹429.35 crore registered in 9MFY25) on account of discontinuation of sales in ICPL to its major market, the USA.

In July 2025 and August 2025, the USFDA discovered presence of "salmonella – a bacteria which causes food-borne infection" in certain frozen food products marketed under the Deep brand by DFI and were manufactured and supplied by ICPL. Consequently, the USFDA placed ICPL under Import Alert 99-43 (Detention Without Physical Examination), resulting in detention of export consignments at the USA border. Given that around 70% of ICPL's revenue is derived from exports to the USA, primarily through the distribution network of DFI, the imposition of this alert has led to a significant decline in sales of ICPL in the current year. Sales are expected to remain subdued in FY27 as well until the resolution of aforesaid issue. Meanwhile, ICPL has continued catering to other markets including Canada, Australia, New Zealand and the recently entered geography, the UK. As articulated by the management, despite moderation in revenue visibility, ICPL has not resorted to any employee layoff.

Sales from DFPL has however remain unaffected due to this incident and the entire supply of RTE products (including the products earlier manufactured by ICPL) are now being supplied by DFPL in the USA market. With this, TOI for the group is envisaged at around ₹450 crore for FY26.

On the profitability front, during FY25, the combined PBILDT margin continued to remain healthy at 12.07%, though moderated from 17.07% in FY24 with increase in cost of raw material which could not be entirely passed on. However, margin moderated to 6.60% in 9MFY26 mainly with moderation in TOI of ICPL, resulting in operating loss in the entity. The profitability is expected to remain subdued in near term depending on the timeline of resolution of the aforesaid matter, alongwith the company's ability to scale up in geographies other than USA.

**Comfortable capital structure albeit moderation in debt coverage indicators**

The group has a comfortable capital structure with an overall gearing of 0.10x as on March 31, 2025, due to minimal reliance on debt to fund its capex and working capital requirements. This, alongwith healthy profitability over the years, has led to strong debt coverage indicators with PBILDT interest coverage of 12.54x in FY25 (PY: 37.39x) and Total debt/PBILDT of 0.69x (P.Y.0.69x). For 9MFY26, the debt coverage indicators moderated with PBILDT interest coverage of 5.06x and TD/PBILDT of 1.84x, though remained adequate.

Over last three years ended FY26, ICPL undertook a capex for enhancement in its existing manufacturing capacity and augmentation of its product portfolio through varieties of curries and snack items, alongwith installation of frying lines which is USA based technology. The said capex also enhanced the storage capacity (dry warehouse and cold storage) of the unit. The project has been completed with a total cost of ~₹55 crore, funded through term loan of ₹36 crore and remaining through internal accruals and commercial operations from the same have begun. Going forward, the group has no major capex plans.

### **Key weaknesses**

#### **Geographical and customer concentration of revenue profile**

Over the years, major portion of the group's sales has been from the USA. During FY25 as well as 9MFY26, the USA accounted for 73% and 67% of the group's total sales, respectively. Consequently, the operations remain susceptible to any event-based risk arising in the said country that may adversely impact the demand for its products, as recently witnessed in ICPL. To mitigate this, both entities gradually started exports to other countries as well, including Canada and Australia, amongst others, and are focusing to increase their presence in European countries as well as in the UK. However, combined contribution of these countries to total sales of the group continued to remain limited at ~32% during 9MFY26.

The customer concentration risk, too, remains high as majority revenue of the group is earned through sales to its flagship entity, DFI and its distribution companies. Thus, any change in the market position of DFI on account of changes in the economic condition in the USA market, emergence of new competitors or any adverse regulatory changes governing food trade, could also adversely impact the operations of the group.

#### **Price volatility and availability risk associated with agro-based raw material**

The group procures raw materials (agro-based commodities) from the open market and does not have any fixed price contracts with its suppliers. Agro-based commodities exhibit seasonality, and availability & pricing of raw materials is susceptible to the vagaries of monsoon. Furthermore, fruits and vegetables are perishable in nature.

On the other hand, sales price to DFI are fixed in advance on arm's length considering the prevailing trend of raw material pricing and other overheads. Hence, the profitability of the group remains exposed to any major adverse movement in the price of raw materials. However, the assured off-take arrangement with DFI at mutually decided rates considering the cost structure assures stable income and reasonable profitability for both the entities.

#### **Profitability susceptible to foreign exchange fluctuation risk**

DFPL and ICPL are export-oriented units (EOUs) with entire sales in the overseas markets, while raw materials are mainly procured indigenously and accordingly, the group is exposed to any sudden adverse movements in the foreign exchange rate. However, DFPL uses bill discounting facility and ICPL uses packing credit in foreign currency (PCFC) for its working capital requirements, which insulates the companies from the exchange rate volatility risk to a certain extent. The group also partially hedges its forex exposure through forward contracts.

#### **Liquidity: Adequate**

The liquidity profile of the group continues to remain adequate, marked by , healthy cash flow from operations resulting in moderate utilisation of working capital limits and built up of healthy unencumbered cash and bank balance, as against low term debt repayment obligation.

The average utilisation of fund-based working capital limits remained moderate at 15.86% for DFPL and 86.58% for ICPL for the past 12 months ended December 2025, backed by healthy cash flow from operations which stood at ₹41.90 crore in FY25. The operating cycle remained stable at 78 days (PY: 75 days) in FY25. Inventory holding period in DFPL is lower than in ICPL since DFPL mainly manufactures RTE food where inventory is stored for a limited period, while ICPL's product profile also includes frozen fruits and vegetables which could be stored for a longer time period.

Companies have exhibited cash flow fungibility as indicated by infusion of unsecured loans by DFPL in ICPL to support its operations in current year. Also, during 9MFY26, DFPL has invested ₹45 crore in form of preference shares in a group entity named Purnam Delicacy Private Limited (owned by Amin Family), which has taken over the manufacturing facilities of an entity involved in making of pickle. Despite this, group's unencumbered cash and bank balance stood healthy at ~₹95 crore at end of 9MFY26 (₹142.06 crore at FY25 end).

## 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](#)
- [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	Other Food Products

Gandhinagar-based DFPL was incorporated in 1998 by the USA-based Amin family, who have a longstanding presence in the processed food industry through their flagship company, DFI, headquartered in the USA. DFI manufactures and markets a range of products (including frozen Indian food products) through its distribution companies in the USA, Canada, Australia and the UK. DFPL started commercial production in 2002. The company manufactures and exports its entire production of processed and RTE foods to multiple regional units of DFI and its distribution companies. The installed capacity as on December 31, 2025, stood at 20,000 metric tonne per annum (MTPA).

Brief Financials- Combined (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (Prov.)
Total operating income	507.86	567.69	344.59
PBILDT*	86.70	68.54	22.75
PAT	52.87	36.13	-7.67
Overall gearing (times)	0.13	0.10	0.58
Interest coverage (times)	37.39	12.54	5.06

A: Audited, Prov.:Provisional; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

Brief Financials- DFPL Standalone (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (Prov.)
Total operating income	261.39	286.07	207.68
PBILDT*	48.06	40.88	34.51
Profit after tax (PAT)	34.20	29.87	20.44
Overall gearing (x)	0.03	0.01	0.02
Interest coverage (x)	126.46	69.71	74.72

A: Audited, Prov.:Provisional; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** None

**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/ ST-Bill Discounting/ Bills Purchasing		-	-	-	17.00	CARE A; Negative / CARE A1

**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-Bill Discounting/ Bills Purchasing	LT/ST	17.00	CARE A; Negative / CARE A1	-	1)CARE A; Stable / CARE A1 (11-Mar-25)	1)CARE A; Stable / CARE A1 (18-Mar-24)	1)CARE A; Stable / CARE A1 (07-Feb-23)
2	Non-fund-based - ST-BG/LC	ST	-	-	-	-	1)Withdrawn (18-Mar-24)	1)CARE A1 (07-Feb-23)

LT: Long term; 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/ ST-Bill Discounting/ Bills Purchasing	Simple

**Annexure-5: Lender details**

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

**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Innovative Cuisine Private Limited	Full	Financial and operational linkages

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

## Contact us

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