

Diamond Frozen Foods LLP

April 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	49.19	CARE BB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Diamond Frozen Foods LLP (DFFL) is constrained on the account of its recently concluded debt funded project leading to scalability and stabilization risk, stretched liquidity, price volatility and availability risk associated with agro-based raw material and moderate project leverage. The rating, however, derives strength from experience of promoters and stable industry outlook.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Scaling up of operations to Rs.50 crore alongwith PBILDT margin above 10% on sustained basis
- Debt coverage indicators marked by PBILDT interest coverage above 1.5x

Negative factors

- Significant reliance on working capital limit weakening the overall financial risk profile.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings' expectations that the company will continue to benefit from the experience of its promoters which shall aid scaling up of its operations.

Detailed description of key rating drivers:

Key weaknesses

Stabilization risk associated with recently commenced capacity

Company has set up a manufacturing unit for processing and trading of frozen food products using Individual Quick Freezing (IQF) technology. The total cost of the project envisaged was of Rs.59.73 crore to be funded through a term loan of Rs.36.50 crore and balance through partners capital of Rs.23.23 crore. As on March 27, 2026, DFFL has incurred an expenditure of Rs.57.13 crore with infusion of funds by promoters of Rs.17.17 crore and balance through term loan/ advances from customer. The plant commenced operations on February 20, 2026. As indicated by the management, the total cost of project is expected to increase approximately to Rs.65 crore due to addition of cold storage facilities as against envisaged of Rs.59.73 crore. The incremental cost is expected to be funded through additional equity infusion by promoters. The entire project cost is expected to be completed by April 2026 with majority of the pending cost being ancillary, towards construction of cold storage facility.

With recently commenced operations, scaling up and stabilisation of the operations remains a key rating sensitivity. The company's performance will be contingent upon timely ramp-up in capacity utilisation, establishment of marketing linkages and efficient operations, which will be critical for achieving the projected financial profile.

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

DFFL 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 seasons. Furthermore, fruits and vegetables are perishable in nature. Hence, the profitability of the company remains exposed to any major adverse movement in the price of raw materials.

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

Moderate leverage of project

DFFL has setup manufacturing plant for frozen fruits and vegetables with an installed capacity of 20,000 MTPA at an originally envisaged project cost of Rs.59.73 crore, funded through a term loan of Rs.36.50 crore and promoter contribution. This translates into a project debt-to-equity ratio of about 1.57x, indicating a moderate capital structure for a greenfield project.

The overall gearing of the company is expected to remain high in near term with limited networth base, expected to be around Rs.25 crore at FY27 end.

Key strengths

Experienced promoters

The operations of Diamond Frozen Foods LLP are managed by its designated partners, Gulam Murtuza, Gulam Yazdani, and Rajju Qureshi, who collectively possess experience of over a decade across diverse business domains, including government contracting and agri-trading. Their combined experience is expected to support project execution as well as raw material sourcing and market linkages.

Among the partners, Shri Rajju Qureshi has been actively engaged in the trading of agricultural and food products since 2011 through his proprietorship firm dealing in vegetables such as peas, garlic, onion and tomato. His experience in the agri supply chain is expected to provide strong support in DFFL.

Industry Outlook

The frozen foods industry in India is witnessing steady growth, supported by changing consumer preferences, increasing urbanisation, rising disposable incomes and growing demand for convenience foods. The expansion of organised retail, quick service restaurants (QSRs) and e-commerce platforms has further aided market penetration of frozen products. The segment of frozen vegetables, particularly peas and sweet corn, continues to see stable demand from both retail and institutional segments. Additionally, the adoption of technologies such as Individual Quick Freezing (IQF) has enhanced product quality and shelf life, supporting wider distribution.

Liquidity: Stretched

The liquidity profile of DFFL is expected to remain stretched, primarily on account of moderate project leverage and working capital intensive operations. The company is envisaged to generate modest cash accruals of ~Rs.3–9 crore, which provide limited cushion against its repayment obligations of ~Rs.2–4 crore over the projected period. Further, the utilisation of fund-based working capital limits is expected to remain high, given the nature of operations driven by high inventory holding requirements, including finished goods inventory and seasonal procurement of raw materials. The operating cycle is likely to remain elongated at ~100–150 days.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Project stage companies](#)

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

Diamond Frozen Foods LLP, incorporated on April 17, 2025, is a Limited Liability Partnership engaged in the processing and trading of frozen food products using Individual Quick Freezing (IQF) technology. The firm is in the initial phase of operations with a recently set up installed capacity of 20,000 MT per annum. The plant commenced the operations from February 2026.

The total cost of the project originally envisaged was of Rs.59.73 crore, to be funded through a term loan of Rs.36.50 crore and balance through partners capital of Rs.23.23 crore Actual cost is expected to remain at around Rs.65 crore

Brief Financials: Not Applicable for project stage entity

Status of non-cooperation with previous CRA: Not Applicable

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		-	-	-	12.69	CARE BB-; Stable
Fund-based - LT-Term Loan		-	-	Sep 30, 2036	36.50	CARE BB-; Stable

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	12.69	CARE BB-; Stable				
2	Fund-based - LT-Term Loan	LT	36.50	CARE BB-; Stable				

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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

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

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 for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in</p> <p>Nikita Akhilesh Goyal Associate Director CARE Ratings Limited Phone: 079-40265670 E-mail: nikita.goyal@careedge.in</p> <p>Twinkle Kishor Manglani Lead Analyst CARE Ratings Limited E-mail: twinkle.manglani@careedge.in</p>
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