



Press Release
PLANT LIPIDS PRIVATE LIMITED
July 17, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.00	ACUITE AA- Stable Reaffirmed	-
Bank Loan Ratings	715.00	-	ACUITE A1+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	716.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of 'ACUITE AA-' (read as ACUITE double A minus) and short-term rating of 'ACUITE A1+' (read as ACUITE A one plus) on the Rs. 716 Cr. bank facilities of Plant Lipids Private Limited (PLPL). The outlook is 'Stable'.

Rationale for reaffirmation

The rating reaffirmation takes into account the company's estimated stability in operations and profitability in FY2025, following marginal moderation in FY2024. Further, it considers the company's healthy financial risk profile marked by strong net worth, low gearing, and robust debt protection metrics, along with its strong liquidity position. The promoters' extensive industry experience, spanning over four decades in spices and oleoresins, further supports the rating strength.

However, the rating remains constrained by the intensive nature of working capital operations, susceptibility of revenue and margins to agro-climatic risks, and foreign currency fluctuation risk.

About the Company

Plant Lipids Private Limited (PLPL) was incorporated in 1979 to manufacture spice oleoresins, spice oils, and ground spices. Mr. C. J. George, the chairman, and Mr. John George Nechupadom, the managing director, together manage the operations of the company, headquartered in Cochin. PLPL is a government-recognized export house. It has manufacturing facilities spread across Kerala, Karnataka, Telangana, and Sri Lanka, with a capacity of 11,500 MTPA for ground spices and a combined capacity of 116,926 MTPA for spice oleoresins and spice oils.

About the Group

Plant Lipids Private Limited (PLPL) group having Plant Lipids Private Limited as the primary company along with its associate, subsidiaries and step-down subsidiaries is engaged in the manufacturing of spice oleoresins, spice oils and ground spice.

Unsupported Rating

Not applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated business and financial risk profiles of the PLPL along with two wholly owned subsidiaries, three step down subsidiaries and three associates due to operational and financial linkages to arrive at this rating. All the entities are here in referred to as the PLPL group.

Key Rating Drivers

Strengths

- **Experienced management**

PLPL was founded in 1979 by C.J. George and Mr. John George Nechupadom, who together bring over four decades of expertise in the spice oleoresins and oils industry. Under their leadership, the company has expanded its manufacturing footprint to a total capacity of 11,500 MTPA for ground spices and 1,16,926 MTPA for spice oleoresins and oils, across facilities in South India and Sri Lanka. The group benefits from a seasoned and technically proficient management team, supported by qualified second-line personnel. Promoter experience has fostered strong supplier and customer relationships, ensuring consistent raw material availability and robust offtake. PLPL operates through two wholly owned subsidiaries—Plant Lipids Lanka (Pvt) Ltd in Sri Lanka, which processes pepper oleoresins and oils, and Plant Lipids UK Limited, a marketing arm. PLPL UK further oversees three step-down subsidiaries in Mexico, Germany, and Indonesia, all focused on marketing operations. Additional associate entities include ventures in Thailand and India. Approximately 90% of the group's revenue is generated by its flagship entity, PLPL, while the remainder is contributed by its subsidiaries and associates. PLPL supports its group entities either by giving interest bearing advances or extending corporate guarantee for their loan facilities for the business operations.

- **Revenue moderation in FY2024 amidst estimated recovery in FY2025**

The company has reported a moderation in revenues, which stood at Rs. 1940.28 crore in FY2024, compared to Rs. 2020.21 crore in FY2023. The moderation in revenue is due to unfavorable market conditions for black pepper, cardamom, and chili, which are procured internationally. However, stable revenue is estimated for FY2025 at Rs. 2036.64 crore, driven by growth in sales volumes. Further, the operating profit margin ranged from approximately 10.01% to 13.57% in the last two years ending FY2024. Acuite believes that the group's operations will continue to be exposed to a certain degree of volatility in commodity demand-supply and price fluctuations.

- **Healthy financial risk profile**

The group's financial risk profile remains healthy, supported by a strong capital structure, low gearing, and robust debt protection metrics. Net worth stood at Rs.1,391.49 crore as on March 31, 2024, up from Rs.1,266.34 crore in the previous year, and is projected to reach Rs.1,523.65 crore by March 31, 2025. Gearing remained modest at 0.33 times in FY2024, compared to 0.32 times in FY2023, with an estimated decline to 0.30 times in FY2025. Debt protection metrics – Interest coverage ratio and debt service coverage ratio stood at 8.41 times and 6.98 times as on March 31, 2024, respectively as against 9.45 times and 7.63 times as on March 31, 2023, respectively. The estimated ICR and DSCR for FY2025 is around 9.95 times and 7.79 times. TOL/ TNW stood at 0.52 times as on March 31, 2024, as against 0.47 times as on March 31, 2023. The estimated TOL/TNW for FY2025 is around 0.47 times. The debt to EBITDA of the group stood at 1.94 times as on March 31, 2024, as against 1.34 times as on March 31, 2023 and estimated to be around 1.78 times as on March 31st 2025. Acuite believes the financial risk profile to remain healthy over the medium term on account of the group's healthy capital structure and stable operations.

Weaknesses

- **Working capital intensive operations**

The group's working capital operations remain intensive, as reflected in gross current asset (GCA) days of 327 days in FY2024, up from 263 days in FY2023. The elongation in GCA days is primarily attributable to elevated cash and bank balances, as well as higher levels of other current assets (OCA). Inventory holding stood at 199 days in FY2024 versus 181 days in FY2023, with the group typically maintaining four months of stock due to the seasonal nature of raw material procurement. Debtor days increased to 86 days in FY2024 from 68 days in the previous year, while creditor days rose to 58 days from 40 days over the same period. Acuite expects the group's working capital intensity to persist at similar levels over the medium term

- **Susceptibility of margins to agro climatic risks, forex risk and high competition:**

The operating margins of the PLPL Group remain susceptible to agro-climatic conditions, foreign exchange volatility, and competitive pressures. The group primarily sources spices as raw materials, the pricing of which is closely tied to weather patterns and climatic factors. With exports accounting for approximately 30–35% of total sales and imports comprising 40–50% of total purchases, the group benefits from partial natural hedging. Nevertheless, it continues to face competition from established global players.

Rating Sensitivities

- Substantial improvement in revenue along with maintaining operating margins.
- Any large debt funded capex or acquisitions adversely impacting the financial risk profile of the group.
- Any further stretch in working capital cycle resulting in weak liquidity profile.

Liquidity Position: Strong

The group generated cash accruals of Rs. 169.21 crore in FY2024 against nominal maturing repayment obligations of Rs. 4.45 crore during the same period. Going forward, the group is expected to generate healthy net cash accruals against nominal maturing repayment obligations. The group maintained unencumbered cash and bank balances of Rs. 142.17 crore as of March 31, 2024. Liquid investments in mutual funds, NCDs, venture capital funds, and shares stood at Rs. 141.63 crore as of March 31, 2024. The current ratio was healthy at 2.42 times as of March 31, 2024. However, the reliance on working capital limits stood moderate marked by an average of 82 percent utilization of the fund-based limits over the past six months ending in June 2025. Acuité believes that the liquidity of the group will remain strong on account of healthy net cash accrual generation and liquid investments.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	1940.28	2020.21
PAT	Rs. Cr.	108.10	158.80
PAT Margin	(%)	5.57	7.86
Total Debt/Tangible Net Worth	Times	0.33	0.32
PBDIT/Interest	Times	8.41	9.45

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>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
18 Apr 2024	Post Shipment Credit	Short Term	60.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	160.00	ACUITE A1+ (Reaffirmed)
	Packing Credit	Short Term	75.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	40.00	ACUITE A1+ (Reaffirmed & Withdrawn)
	PC/PCFC	Short Term	150.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	35.00	ACUITE A1+ (Reaffirmed & Withdrawn)
	Post Shipment Credit	Short Term	115.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	25.00	ACUITE A1+ (Reaffirmed & Withdrawn)
	Letter of Credit	Short Term	5.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	48.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	45.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	27.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	30.00	ACUITE A1+ (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.00	ACUITE AA- Stable (Reaffirmed)
	19 Jan 2023	PC/PCFC	Short Term	70.00
PC/PCFC		Short Term	80.00	ACUITE A1+ (Reaffirmed)
PC/PCFC		Short Term	160.00	ACUITE A1+ (Reaffirmed)
PC/PCFC		Short Term	150.00	ACUITE A1+ (Reaffirmed)
PC/PCFC		Short Term	52.00	ACUITE A1+ (Reaffirmed)
PC/PCFC		Short Term	48.00	ACUITE A1+ (Reaffirmed)
Letter of Credit		Short Term	5.00	ACUITE A1+ (Reaffirmed)
Packing Credit		Short Term	50.00	ACUITE A1+ (Reaffirmed)
Post Shipment Credit		Short Term	140.00	ACUITE A1+ (Reaffirmed)
Post Shipment Credit		Short Term	60.00	ACUITE A1+ (Reaffirmed)
Proposed Long Term Bank Facility		Long Term	1.00	ACUITE AA- Stable (Assigned)
	PC/PCFC	Short Term	70.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	80.00	ACUITE A1+ (Assigned)
	PC/PCFC	Short Term	160.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	150.00	ACUITE A1+ (Assigned)

28 Nov 2022	PC/PCFC	Short Term	52.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	48.00	ACUITE A1+ (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A1+ (Reaffirmed)
	Packing Credit	Short Term	50.00	ACUITE A1+ (Assigned)
	Post Shipment Credit	Short Term	140.00	ACUITE A1+ (Reaffirmed)
	Post Shipment Credit	Short Term	60.00	ACUITE A1+ (Assigned)
17 Oct 2022	PC/PCFC	Short Term	70.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	160.00	ACUITE A1+ (Reaffirmed)
	PC/PCFC	Short Term	52.00	ACUITE A1+ (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A1+ (Reaffirmed)
	Cash Credit	Long Term	140.00	ACUITE AA- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A1+ Reaffirmed
Federal Bank	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	75.00	Simple	ACUITE A1+ Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A1+ Reaffirmed
State Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	48.00	Simple	ACUITE A1+ Reaffirmed
Union Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	150.00	Simple	ACUITE A1+ Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE A1+ Reaffirmed
Union Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	160.00	Simple	ACUITE A1+ Reaffirmed
State Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	27.00	Simple	ACUITE A1+ Reaffirmed
CITI Bank	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	115.00	Simple	ACUITE A1+ Reaffirmed
CITI Bank	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A1+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE AA- Stable Reaffirmed

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

Sr.No.	Name of the company
1	Plant Lipids Lanka (Pvt.) Ltd., Sri Lanka
2	Plant Lipids UK Limited
3	Plant Lipids Latinoamerica, S.A. de C.V.
4	Plant Lipids Europe GMBH
5	PT. Plant Lipids Indonesia
6	Plant Lipids (Thailand) Co. Ltd
7	Blue Ridge Realtors Private Limited
8	FF Bioworks Private Limited
9	Plant Lipids Private Limited

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About Acuité Ratings & Research

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