



**Press Release**  
**SHINE AGROTECHNOLOGY PRIVATE LIMITED**  
**March 27, 2025**  
**Rating Assigned and Upgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BBB+   Stable   Assigned	-
Bank Loan Ratings	40.00	ACUITE BBB+   Stable   Upgraded	-
Bank Loan Ratings	5.00	-	ACUITE A2   Upgraded
Total Outstanding Quantum (Rs. Cr)	65.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has upgraded its long-term rating to '**ACUITE BBB+**' (read as **ACUITE triple B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and short-term rating to '**ACUITE A2**' (read as **ACUITE A two**) from '**ACUITE A3+**' (read as **ACUITE A three plus**) on Rs 45 Cr. bank facilities of Shine Agrotechnology Private Limited (SAPL). The outlook remains '**Stable**'.

Acuite has also assigned its long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) on Rs.20 Cr. additional bank facilities of Shine Agrotechnology Private Limited (SAPL). The outlook is '**Stable**'.

**Rationale for rating upgrade and assigned:**

The rating upgrade reflects the improving trend in scale of operations and expectation of the same being sustained over the medium. Over the past three financial years, ending FY2024, the company achieved stable revenue growth with a compounded annual growth rate (CAGR) of approximately 12 percent, primarily driven by increasing orders and higher capacity utilization of its processing plant. The operating profit margin has also shown marginal year-on-year improvement due to better realizations. Additionally, during the 9MFY2025, the company registered a 19 percent higher revenue compared to same period of previous year, indicating a strong growth in revenue for the current fiscal. The rating is further supported by the company's moderate financial risk profile. However, it is constrained by moderately intensive working capital operations and presence in highly competitive and fragmented industry. Going ahead, the ability of the company to sustain growth in its scale of operations and improvement in profitability margins while maintaining its moderate financial profile and adequate liquidity position will be a key rating monitorable.

**About the Company**

Incorporated in 2014, Shine Agrotechnology Private Limited is promoted by Mr. Balan M. Thevar. The company is engaged in farming, trading and processing of various agro products. These include rice, polished and semi polished tur dal, pulses, oil cake, de-oil cake, roasted grams, and fruits. The company is into core agricultural operations since incorporation. Currently it has 300 acres land in Tirunelveli dist. of Tamil Nadu, with ~ 180 under cultivation. The major agricultural products are banana, amla, lemon, coconut, mango, seasonal fruits and

vegetables such as, brinjal, ash gourd, pumpkin, watermelon and tapioca. Additionally, the company is also engaged into trading of agro commodities like rice, polished and semi polished toor dal and pulses, oil cake, de-oil cake, roasted grams, nachni powder, fruits, garlic and ginger. It sources and sells these products in Mumbai, Gulbarga, Udhgir, Madurai and parts of Gujarat & Maharashtra. Shine Agrotechnology also has a processing facility for grams & pulses with a capacity of 70 tonnes per day.

## Unsupported Rating

Not applicable

## Analytical Approach

Acuité has considered the standalone business and financial risk profile of SAPL to arrive at the rating.

## Key Rating Drivers

### Strengths

#### **Experienced management and established track record of operations.**

SAPL is a Mumbai based company incorporated in 2014 and founded by Mr. Balan M Thevar. The promoters Mr. Balan M Thevar and Mr. Anand Mani have an experience of over a decade in the agro industry and are second generation agriculturists from Tamil Nadu with a land of 180 acres in the company's name. Further, the company also has a processing unit for grams and pulses with a capacity of 70 tonnes per day. Acuité believes that SAPL's business risk profile will be supported by promoters' expertise and extensive experience in the industry along with a sufficient capacity available to carry out its operations.

#### **Improving scale of operations:**

SAPL's revenue has improved to Rs.487.39 Cr. in FY2024, nearly with a growth rate of 10 percent on the previous year revenue of Rs.443.50 Cr. This growth is primarily attributed to the increasing orders for processing and trading segments coupled by increased capacity utilization in the processing segment. The revenue from processing segment and trading segment has grown by 35 percent and 8 percent respectively during FY2024. Further, the operating profit margin continued to show marginal Y-o-Y improvement for the fourth consecutive year. The operating profit margins stood at 4.73 percent in FY2024, compared to 4.33 percent in FY2023 and 4.26 percent in FY2022, attributed to improving realizations for its products. PAT margin also improved to 3.18 percent in FY2024 from 2.85 percent in FY2023. During the 9MFY2025, SAPL registered revenue of Rs.408.69 Cr, which is ~19 percent higher than 9MFY2024 revenue and expected to end the FY2025 with revenue in the range of Rs.580-590 Cr. The growth in current year's revenue is due to increased orders in trading segment and higher capacity utilization in processing segment. The operating profit margin is expected to remain stable FY2025 as well.

Acuite believes that, the revenue of the company is expected to improve over the medium term on account of increasing orders and increased capacity utilization.

#### **Moderate financial risk profile:**

The financial risk profile of the company is moderate, marked by moderate net worth, moderate gearing and healthy debt protection metrics. The net worth of the company stood at Rs.79.04 Cr. as on March 31, 2024 as against Rs.63.55 Cr. as on March 31, 2023. The improvement in network is due to accretion of profits to the reserves. Despite the increase in total debt levels (majorly short term debt) to Rs.73.61 Cr. as on March 31, 2024 from Rs.53.58 Cr. as on March 31, 2023, the gearing levels remained moderate at 0.93 times. Further, the total outside liabilities to tangible network (TOL/TNW) also stood moderate at 1.27 times as on March 31, 2024 against 1.22 times as on March 31, 2023. The debt protection metrics stood healthy with DSCR and ICR of 2.88 times and 4.10 times respectively as on March 31, 2024 against 2.79 times and 3.73 times as on March 31, 2023. Debt to EBITDA has marginally deteriorated at 3.18 times as on March 31, 2024 against 2.79 times as on March 31, 2023.

Acuite believes that the financial risk profile of the company will improve over the medium term due to its conservative leverage policy and absence of any debt funded capex plans.

## Weaknesses

#### **Moderately intensive working capital operations:**

SAPL's working capital operations are moderately intensive as reflected by the gross current days (GCA) days of 105 days in FY2024 compared to 93 days in FY2023. The elongation in GCA days is due to higher debtor days. SAPL allows a credit period of 90 days to its customers and does majority of the sales during the Q4 leading to build up of debtors in the last quarter. The company enjoys a credit period of 15-30 days from its suppliers and maintain inventory as on when received orders from customers leading to lower inventory days of 14 days in FY2024 compared to 12 days in FY2023.

Acuite believes that the working capital operations of the company will remain moderately intensive over the medium term owing to nature of business.

#### **Thin margins from trading segment**

The operating margins (EBIDTA) stood at 4.73 percent in FY2024 compared to 4.33 percent in FY2023. The

Profit after tax margins (PAT) stood at 3.18 percent in FY2024 against 2.85 percent in FY2023. Majority of the profitability is contributed by core agricultural activity and the trading activities, while profitability from the value addition activity i.e. from processing is observed to be marginal. With presence in trading and processing of agricultural products, the company's profitability is expected to remain thin over the medium term.

#### **Highly competitive and fragmented industry**

The agro processing industry is highly competitive and fragmented with several organised and unorganised players. The intense competition and low value addition in the agro processing industry have resulted in low operating margins.

#### **Rating Sensitivities**

- Sustained growth in revenue and improvement in its profitability margins.
- Elongation of the working capital cycle leading to stretch in liquidity.

#### **Liquidity position: Adequate**

SAPL's liquidity position is adequate as reflected through generation of sufficient net cash accruals against the repayment obligations. The company generated cash accruals of Rs.16.24 Cr. in FY2024 against its debt repayment obligation of Rs.1.96 Cr. for the same period. Further, the company is expected to generate healthy cash accruals against its maturing nominal repayment obligations over the medium term. It's current ratio stood moderate at 1.57 times as on March 31, 2024 and the GCA days remained at 105 days in FY2024. The fund based bank limits were utilized at an average of 80 percent during the past 12 months ending January, 2025. Acuité believes the company will maintain adequate liquidity position over the medium term backed by adequate cash accruals as against the repayment obligations.

#### **Outlook: Stable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	487.39	443.50
PAT	Rs. Cr.	15.48	12.62
PAT Margin	(%)	3.18	2.85
Total Debt/Tangible Net Worth	Times	0.93	0.84
PBDIT/Interest	Times	4.10	3.73

**Status of non-cooperation with previous CRA (if applicable)**

Not applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**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>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Mar 2024	Letter of Credit	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB   Stable (Reaffirmed)
09 Mar 2023	Letter of Credit	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB   Stable (Reaffirmed)
02 Mar 2022	Letter of Credit	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	18.00	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB   Stable (Assigned)
	Cash Credit	Long Term	7.00	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	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
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BBB+   Stable   Upgraded ( from ACUITE BBB )
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB+   Stable   Assigned
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A2   Upgraded ( from ACUITE A3+ )

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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