



**Press Release**  
**RUHATIYA COTTON AND METAL PRIVATE LIMITED**  
**September 03, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.26	ACUITE BB+   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	15.26	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of ‘**ACUITE BB+**’ (read as **ACUITE double B plus**) on the Rs. 15.26 Crore bank facilities of Ruhatiya Cotton and Metal Private Limited (RCM). The outlook is ‘**Stable**’.

**Rationale for rating reaffirmation**

The rating reaffirmation reflects the Ruhatiya Group’s (group) diversified business profile and its promoter’s extensive experience of over three decades in the agro-based industry. It also factors in the group’s moderate scale of operations with thin profitability margins primarily due to trading nature of business and moderate financial risk profile. Additionally, the rating considers the working capital-intensive nature of operations and group’s presence in a highly fragmented agro-commodity trading sector.

**About the Company**

RCM, incorporated in 1984, is an Akola (Maharashtra) based company and is engaged in importing and processing of cashew-based products such as shell, cake, liquid, husk, powder, and kernels.

**About the Group**

Established in 1995 by Mr. Shivprakash Ruhatiya, Mr. Ajayprakash Ruhatiya and Mr. Shriprakash K Agarwal, Ruhatiya Group has presence in the oil industry, textile industry and agro industry. The manufacturing facility of the group is located at Akola (Maharashtra).

Ruhatiya Spinners Private Limited (RSPL), incorporated in 1996, is engaged in manufacturing of yarn and trading of cotton bales, soyabean and rice. The company derives ~40 per cent of its income through sale of manufactured yarn while rest of its income is derived from trading agro commodities i.e., soyabean and rice. The manufacturing facility is located at Akola (Maharashtra).

Omprakash Shivprakash (OPSP) is a partnership firm established in 1959. It is engaged in processing of toor dal, processing of cotton bales on job work basis, and is also engaged in trading of various food grains, rice, oil and cotton. The firm has two dal processing units located at Akola (Maharashtra).

**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 Ruhatiya Cotton and Metal Private Limited (RCM), Ruhatiya Spinners Private Limited (RSPL) and Omprakash Shivprakash (OPSP), hereafter

referred to as 'Ruhatiya Group' (group). The consolidation is mainly on account of common promoter holding and financial linkages between the entities.

## Key Rating Drivers

### Strengths

#### Experienced management and long track record of operations

The group is promoted by Mr. Shivprakash Ruhatiya, Mr. Ajayprakash Ruhatiya and Mr. Shriprakash K Agarwal who have experience of over three decades in various agro-based industries. Therefore, the promoters' extensive industry experience has enabled the group to establish long-term relations with the customers and suppliers. The group deals in processing of imported cashews mainly from West Africa and also exports rice to various countries like Vietnam, Benin, Madagascar, UAE among others, which gives them a global presence.

#### Diversified businesses

The group benefits from a diversified business model spanning multiple agro-based sectors. While RCM focuses on cashew-based product manufacturing, RSPL engages in yarn production and trading of cotton bales, soyabean and rice, OPSP undertakes processing of cotton and trading of food grains, rice, pulses, etc. This multi-entity structure across varied product lines mitigates concentration risk and enhances operational resilience. The group's diversified presence reduces the vulnerability to sector-specific disruptions, contributing positively to its overall credit profile.

### Weaknesses

#### Moderating scale of operations

The group's revenue declined to Rs.200.65 Cr. in FY2025 (Prov.) from Rs.244.74 Cr. in FY2024, mainly due to reduced manufacturing volume of cotton yarn and trading of soyabean and soyabean doc. Further, the EBITDA margin improved to 2.32% in FY 2025 (Prov.) from 1.46% in FY2024, and PAT margin rose to 0.30% in FY2025 (Prov.) from 0.25% in FY2024, driven by RSPL's rice trading post-ban removal in October 2024. Given the regulated nature of the agro industry, revenue and margins remain vulnerable to policy changes and market volatility.

#### Moderate financial risk profile

The group has a moderate financial risk profile marked by low net worth, average coverage indicators and high gearing ratio. The tangible net worth stood low at Rs. 30.06 Cr. as of March 31, 2025 (Prov.) (including Rs.9.29 Cr. of subordinated unsecured loan) marginally improving from Rs. 28.44 Cr. as of March 31, 2024. Further, the while the group does not have any material long term obligations, the gearing remains high at 2.23 times as of March 31, 2025 (Prov.) owing to increase in the working capital requirements. Moreover, the TOL/TNW and interest coverage ratio stood moderate at 2.61 times and 1.42 times as of March 31, 2025 (Prov.) respectively.

#### Intensive nature of working capital operation

The working capital operations of group are intensive in nature marked by gross current asset (GCA) days of 160 days in FY2025 (Prov.) against 124 days in FY2024. The inventory days stood at 41 days in FY2025 (Prov.) and FY2024. The debtor days stood at 90 days in FY2025 (Prov.) against 62 days in FY2024. The debtor days are increased on account of high year end billings. Further, the group offers an average credit period of 60 to 120 days to its export customers. In the previous fiscal year, the group secured credit insurance from the Export Credit Guarantee Corporation of India Limited (ECGC) for all receivables, including domestic debtors, thereby mitigating credit risk. The reliance on working capital limits stood moderate at ~71% over the past 12 months ending July 2025. Going ahead, working capital operations of the group are expected to remain in similar range over the medium term.

#### Susceptibility of revenues and profitability margins to intense competition, government regulations and climatic conditions

The agro-commodity wholesale trading industry is highly fragmented with low entry barriers, leading to intense competition. Therefore, due to its low value-add nature, profitability margins remain thin. Further, the group deals in seasonal agro commodities like rice, soybean, dals, and cotton, making its operations sensitive to monsoon and climate conditions. Therefore, prices are also influenced by government policies such as MSP and import/export duties.

### Rating Sensitivities

- Improvement in scale of operations and margins while maintaining its capital structure.
- Any significant elongation in working capital operations.

### **Liquidity Position**

#### **Adequate**

The liquidity position of the group is adequate marked by sufficient generation of cash accruals of Rs.2.65 Cr. in FY2025 (Prov.) against repayment obligation of Rs.1.77 Cr. during the same period. The reliance on the working capital limits is moderate at ~71% for fund based limits over past 12 months ended July 2025. The current ratio stood moderate at 1.59 times as on March 31, 2025 (Prov.). The group has an unencumbered cash and bank balance of Rs.0.40 Cr. as on March 31 2025 (Prov.) Going ahead, the liquidity position of the group is likely to remain adequate as there are no expected repayment obligation in the near term.

#### **Outlook: Stable**

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

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	200.65	244.74
PAT	Rs. Cr.	0.59	0.62
PAT Margin	(%)	0.30	0.25
Total Debt/Tangible Net Worth	Times	2.23	2.23
PBDIT/Interest	Times	1.42	1.61

### 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>
- 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
05 Jun 2024	Cash Credit	Long Term	15.00	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	0.54	ACUITE BB+ (Downgraded & Withdrawn from ACUITE BBB-   Stable)
	Proposed Long Term Bank Facility	Long Term	0.97	ACUITE Not Applicable (Withdrawn)
08 Mar 2023	Cash Credit	Long Term	15.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	0.80	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	0.97	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
11 Oct 2022	Cash Credit	Long Term	15.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
	Term Loan	Long Term	1.77	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)

**Annexure - Details of instruments rated**

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BB+   Stable   Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	04 Nov 2022	Not avl. / Not appl.	31 Oct 2024	0.26	Simple	ACUITE BB+   Stable   Reaffirmed

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

Sr. No.	Company Name
1	RUHATIYA COTTON AND METAL PRIVATE LIMITED
2	OMPRAKASH SHIVPRAKASH
3	RUHATIYA SPINNERS PRIVATE LIMITED

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### About Acuité Ratings & Research

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