

Press Release
SHREE FATS AND PROTEINS PRIVATE LIMITED
November 18, 2025
Rating Reaffirmed



Product	Quantum (Rs. Cr)	Long Term Rating	Sho Rating
Bank Loan Ratings	49.00	ACUITE BB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	49.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of "**ACUITE BB**" (read as **ACUITE double B**) on the Rs.49.00 Cr. bank facilities of Shree Fats and Proteins Private Limited (SFPPL). The outlook is "**Stable**".

Rationale for rating

The rating factors in the moderated business risk profile of the company marked by operating income of Rs.356.98 Cr. in FY2025 against Rs.417.63 Cr. in FY2024. However, the same improved in FY2026 as reflected by revenue of Rs.302.65 Cr. till 6M FY2026 as against Rs.185.61 Cr. in 6M FY2025 supported by an increase in domestic sales of the company. Further, the EBITDA and PAT margin stood at 2.07% and 0.28% respectively in FY2025. The rating also takes into account the efficient working capital operations of the company marked by GCA days at 75 days as on 31st March, 2025. However, the aforesaid factors are partly offset by the average financial risk profile as reflected by the gearing ratio at 1.67 times as on 31st March 2025 along with the interest coverage ratio and debt service coverage ratio at 1.63 times and 0.84 times respectively as on 31st March 2025. In addition, the liquidity profile of the company will remain a key rating sensitivity marked by insufficient net cash accruals generated against its debt repayment obligations wherein the gap in repayments has been met by the infusion of unsecured loans from directors/ promoters along with working capital management. Acuite also notes that the rating remains constrained by the susceptibility of margins to fluctuations in raw material prices, presence of a highly competitive and fragmented nature of industry.

About the Company

Rajasthan Based, Shree Fats and Proteins Private Limited was incorporated in 1991. The company is engaged in the manufacturing and export of edible oils along with export of pulses, cereals, etc. The current directors of the company Are Mrs. Mona Goenka, Mr. Arvind Jain, Mr. Sanjay Goenka and Mr. Raj Kumar Agarwal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Shree Fats and Proteins Private Limited to arrive at the rating.

Key Rating Drivers

Strengths

Long track record of operations and Experienced management

SFAPL was incorporated in 1991 and is engaged in the manufacturing and export of edible oils along with the export of pulses, cereals, etc. The current directors of the company are Mrs. Mona Goenka, Mr. Arvind Jain, Mr. Sanjay Goenka and Mr. Raj Kumar Agarwal having more than three decades of experience in the same line of business, which has benefitted the company in developing healthy relationships with its suppliers and reputed clientele like Adani Wilmar Limited, Fedmart Co Limited, etc. Acuite believes that the company will continue to derive benefit from the long track record of operations and experienced management's strong understanding of market dynamics.

Efficient Working capital operations

The working capital operations of the company are efficient, marked by GCA days which stood at 75 days as on 31st March, 2025. The inventory holding stood at 40 days as on 31st March, 2025 against 39 days as on 31st March, 2024 as the company needs to maintain adequate inventory as and when required for order execution. Further, the debtor days of the company stood at 24 days as on 31st March, 2025 as against 20 days as on 31st March, 2024 and the creditor days stood at 19 days as on 31st March, 2025 as against 15 days as on 31st March, 2024. Acuite expects that the working capital operations of the company will remain in a similar range in the near to medium term.

Weaknesses

Decrease in Revenue and Profitability

The operating income of the company stood at Rs.356.98 Cr. in FY2025 against Rs.417.63 Cr. in FY2024 owing to decrease in export sales of the company. Likewise, the EBITDA Margin of the company stood at 2.07% in FY2025 against 2.24% in FY2024 on account of increase in raw material procurement costs coupled with lower absorption of costs in FY2025 as compared to the previous year. Further, the PAT Margin stood at 0.28% in FY2025 as well as FY2024. However, there is improvement in the company's operations marked by revenue of Rs.302.65 Cr. in 6M FY2026 as against Rs.185.61 Cr. in 6M FY2025 supported by an increase in domestic sales of the company in FY2026 as compared to previous year. In addition, the company is planning to expand its export operations by including China in the near term, adding to its existing export markets in Southeast Asia covering Singapore, Thailand, Indonesia, Vietnam, etc. This is expected to boost the export sales thereby supporting the overall revenue of the company on account of expected higher sales volume. Acuite believes the ability of the company to sustain its profitability margins while scaling up of operations will remain a key rating sensitivity.

Average Financial risk profile

The financial risk profile of the company is average marked by tangible net-worth of Rs.24.48 Crore as on 31st March 2025 as against Rs.23.48 Crore as on 31st March 2024. The increase in the net-worth is on an account of accretion of profits into reserves. The capital structure of the company is marked by gearing ratio which stood at 1.67 times as on 31st March 2025 against 2.03 times as on 31st March 2024. Further, the coverage indicators are reflected by interest coverage ratio and debt service coverage ratio which stood at 1.63 times and 0.84 times respectively as on 31st March 2025 as against 1.66 times and 0.78 times as on 31st March 2024. The TOL/TNW ratio of the company stood at 2.49 times as on 31st March 2025 as against 2.81 times as on 31st March 2024 and DEBT-EBITDA stood at 5.50 times as on 31st March 2025 as against 5.06 times as on 31st March 2024. Acuite expects financial risk profile of the company to improve going forward on account of no plans of additional debt or any debt funded capex in near to medium, however any movement in financial risk profile will remain a key monitorable factor.

Susceptibility of margins to fluctuations in raw material prices

SFAPL's business depends on the availability of reasonably priced and high quality raw

materials. It sources raw materials from domestic as well as global suppliers. The price and availability of such raw materials depend on several factors beyond the company's control like production levels, market demand, trade restrictions, seasonal variations, etc. SFAPL also does not have long term supply contracts with any of its raw material suppliers and typically places orders with them in advance based on its anticipated requirements. Thus, the company is always at risk of procuring raw materials at reasonable prices wherein these prices are fluctuating and can have a direct impact on the operating margins. Acuité believes that the ability of the company to pass on such an adverse impact to its customers remains a key sensitivity factor.

Rating Sensitivities

- Movement in topline and accruals
- Movement in debt protection metrics

Liquidity Position Stretched

The liquidity profile of the company is stretched marked by net cash accruals of Rs.2.34 crore as on 31st March, 2025 against the debt repayment obligations of Rs.3.66 crore in the same period. The gap in repayments has been met by the infusion of unsecured loans from directors/ promoters along with working capital limits management by the company. Going forward, the company is expected to generate sufficient net cash accruals in the range of Rs.3.00 Cr. to Rs.3.70 Cr. against the debt repayment obligation of upto Rs.1.57 Crore in the next two years. The current ratio of the company stood at 1.28 times as on 31st March, 2025 as against 1.24 times as on 31st March, 2024. The cash and cash equivalents available with the company stood at Rs.0.20 Cr. as on 31st March, 2025. Further, the fund based working capital limits stood utilized at 78.98% in last six months ending October, 2025. Acuité believes that ability of the company to manage its liquidity position in near to medium term will remain a key rating sensitivity.

Outlook: Stable

Other Factors affecting Rating None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	356.98	417.63
PAT	Rs. Cr.	1.00	1.16
PAT Margin	(%)	0.28	0.28
Total Debt/Tangible Net Worth	Times	1.67	2.03
PBDIT/Interest	Times	1.63	1.66

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

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>

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. Acuite'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
22 Aug 2024	Cash Credit	Long Term	47.00	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	0.86	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.14	ACUITE BB Stable (Reaffirmed)
25 May 2023	Cash Credit	Long Term	47.00	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	1.09	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.91	ACUITE BB Stable (Reaffirmed)
11 Mar 2022	Cash Credit	Long Term	47.00	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	1.61	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.39	ACUITE BB 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
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	47.00	Simple	ACUITE BB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.49	Simple	ACUITE BB Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Term Loan	10 Jul 2020	Not avl. / Not appl.	31 Oct 2027	0.51	Simple	ACUITE BB Stable Reaffirmed

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About Acuité Ratings & Research

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