



Press Release
RAJASTHAN STATE SEEDS CORPORATION LIMITED
February 06, 2026
Rating Assigned and Reaffirmed

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|-----------------------------------|-------------------|
| Bank Loan Ratings | 150.00 | ACUITE BBB+ Stable Assigned | - |
| Bank Loan Ratings | 140.00 | ACUITE BBB+ Stable Reaffirmed | - |
| Total Outstanding Quantum (Rs. Cr) | 290.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE BBB+**' (**read as ACUITE triple B plus**) on the Rs.140.00 crore bank facilities of Rajasthan State Seeds Corporation Limited (RSSCL). The outlook is '**Stable**'.

Acuité has also assigned the long-term rating of '**ACUITE BBB+**' (**read as ACUITE triple B plus**) on the Rs.150.00 crore bank facilities of Rajasthan State Seeds Corporation Limited (RSSCL). The outlook is '**Stable**'.

Rationale for rating

The rating derives comfort from the benefit through the strong parentage and established market position of RSSCL. The rating also factors in the improved operating income of the company, which stood at Rs.370.94 Cr. in FY2025 as against Rs.233.80 Cr. in FY2024. Moreover, the company has registered sales of Rs.333.40 Cr. till 9M FY2026. The increase in revenue is contributed by the increase in sales volume and realization in FY2025 as well as the enhanced installed capacity of the company. Furthermore, the EBITDA and PAT margin of the company stood at 9.56 percent and 5.48 percent, respectively in FY2025. Additionally, the financial risk profile of the company remained healthy, marked by net worth of Rs.209.34 Crore as on 31st March 2025, interest coverage ratio and debt service coverage ratio at 5.89 times and 4.64 times respectively as on 31st March 2025 and the liquidity position is also adequate, marked by steady cash accruals, comfortable current ratio and adequate cash and bank balance. However, the rating remains constrained by intensive working capital operations of the company along with agro-climatic risks in the business.

About the Company

Incorporated in 1978, Rajasthan State Seeds Corporation Limited (RSSCL) is administered under the control of the Department of Agriculture, Government of Rajasthan. The company is engaged in the production, processing and marketing of certified seeds in the state of Rajasthan. RSSCL sells its seeds under the brand name of 'Rajseeds'. The registered office is located in Jaipur, Rajasthan and Ms. Chinmayee Gopal is the current managing director of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered a standalone view of the business and financial risk profile of Rajasthan State Seeds Corporation Limited (RSSCL) to arrive at this rating and notched up the standalone rating by factoring in the support provided by the Government of Rajasthan (GoR).

Key Rating Drivers

Strengths

Nodal agency to undertake operations for seeds under State Government

Rajasthan State Seeds Corporation Limited (RSSCL) was incorporated under the National Seed Project in 1978. Currently, the Government of Rajasthan and the National State Seeds Corporation Limited, New Delhi (100 percent stake of GoR), own a 98.28 percent stake in RSSCL, while the rest is held by the seed growers. The representatives of the related departments from the GoR are appointed as the directors of RSSCL's board to oversee the operations. The State Government also provides various subsidies in the form of production subsidies, thereby providing seeds to farmers at subsidized rates. Moreover, RSSCL plays a vital role in the state of Rajasthan for executing agriculture development programs and has an annual production and processing capacity of 12.58 lakh quintals. The company has a diversified seeds portfolio and produces more than 25 crops across both the kharif and rabi seasons. Further, the company has a large network of around 5000 growers and 22 processing-cum-warehousing units across Rajasthan state. These contract farmers produce the certified seeds on their own farms, besides seed production on the company's farms. Acuité believes that RSSCL will continue to benefit through strong parentage, its established market position and its presence for over four decades in the seed processing industry.

Increase in revenue albeit decrease in profitability margins

The operating income of the company improved and stood at Rs.370.94 Cr. in FY2025 as against Rs.233.80 Cr. in FY2024 supported by the increase in sales volume and realization in FY2025 as compared to the previous year. Furthermore, the company has also enhanced its annual seed processing capacity to 12.58 lakh quintals in FY2025 as against 11.54 lakh quintals in FY2024, which supported the scale of operations of the company. Despite the increase in revenue, the EBITDA margin of the company stood at 9.56% in FY2025 as against 11.53% in FY2024 owing to the increase in raw material procurement price in FY2025. In addition, the company has written off certain bad debts in FY2025, which further impacted the operating profitability of the company. Likewise, the PAT margin of the company stood at 5.48% in FY2025 as against 6.87% in FY2024 owing to high finance costs of the company. Moreover, the company has registered revenue of Rs.333.40 Cr. till 9M FY2026 and going forward, the company expects the revenue and profitability to be supported by the expected increase in sales volume of seeds in the near to medium term on the back of enhanced installed capacity of the company.

Healthy Financial Risk Profile

The financial risk profile of the company is healthy, marked by net worth of Rs.209.34 Crore as on 31st March 2025 as against Rs.189.79 Crore as on 31st March 2024. The increase in the net worth is on account of accretion of profits into reserves. Further, the long-term debt position of the company is nil as on 31st March, 2025 as well as 31st March, 2024. In addition, the coverage indicators of the company are reflected by the interest coverage ratio and debt service coverage ratio, which stood at 5.89 times and 4.64 times respectively as on 31st March 2025. The TOL/TNW ratio of the company stood at 0.67 times as on 31st March 2025 as against 0.59 times as on 31st March 2024. Acuité expects the financial risk profile of the company to remain healthy with no major debt-funded capex plans in the near to medium term.

Weaknesses

Intensive Working Capital operations

The working capital operations of the company are intensive, marked by GCA days, which stood at 307 days as on 31st March 2025 as against 414 days as on 31st March 2024. The higher GCA days are mainly on account of higher other current assets, which stood at Rs.163.06 Crore as on 31st March 2025 as against Rs.116.90 Crore as on 31st March 2024 which includes advances to seed growers, balances with government authorities, prepaid expenses, accrued income, etc. Further, the debtor days stood at 106 days as on 31st March 2025 as against 124 days as on 31st March 2024. The inventory holding of the company stood at 38 days as on 31st March 2025 and the creditor days stood at 41 days as on 31st March 2025. Acuité expects the working capital operations of the company to remain at similar levels in the near to medium term owing to the nature of operations.

Exposed to risk of agro-climatic conditions

RSSCL has a diversified seeds portfolio and produces over 25 crops across both Kharif and Rabi seasons. The company's business is seasonal and exposed to agro-climatic risks, and the production is highly dependent on rainfall and other climatic conditions required for the cultivation of various crops. Any adverse agro-climatic conditions can affect the overall demand for seeds from farmers, which may result in inventory pile-up. Also, the company is exposed to uncertainty relating to production on account of agro-climatic risks, which may hamper crop output and quality. Acuité believes that the company's ability to scale up its operations, considering the challenging operating environment, along with managing the working capital cycle, will remain a key rating sensitivity factor.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Acuite takes into consideration the benefit derived by RSSCL by factoring in the support provided by the Government of Rajasthan (GoR).

Stress Case Scenario

While the rating has been derived on the standalone credit risk profile and cash flows of RSSCL, Acuite believes given the major shareholding and support extended by Government of Rajasthan, in case of any stress case scenario, the required support would come from the Government of Rajasthan

Rating Sensitivities

- Credit profile of the Rajasthan Government along with timely realization of subsidy received by RSSCL.
- Movement in the topline and profitability margins.
- Movement in the working capital operations.

Liquidity Position

Adequate

The liquidity profile of the company is adequate, marked by net cash accruals of Rs.22.22 Cr. as on 31st March 2025 against nil debt repayment obligations over the same period. The current ratio of the company stood at 2.59 times as on 31st March 2025 as against 2.84 times as on 31st March 2024. In addition, the cash and bank balance available with the company stood at Rs.27.66 Cr. as on 31st March 2025 as against Rs.14.35 Cr. as on 31st March 2024. Further, the average fund-based working capital limit utilization of the company stood at 69.10% in the last six months ended December, 2025. Acuité expects the company to maintain its liquidity position in the near to medium term, supported by steady cash accruals, comfortable current ratio and adequate cash and bank balance.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 25 (Actual) | FY 24 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 370.94 | 233.80 |
| PAT | Rs. Cr. | 20.32 | 16.07 |
| PAT Margin | (%) | 5.48 | 6.87 |
| Total Debt/Tangible Net Worth | Times | 0.00 | 0.00 |
| PBDIT/Interest | Times | 5.89 | 8.54 |

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>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- State Government Ratings : <https://www.acuite.in/view-rating-criteria-26.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 |
|-------------|--------------------------------|-----------|-----------------|-----------------------------------|
| 05 Feb 2025 | Cash Credit | Long Term | 140.00 | ACUITE BBB+ Stable (Reaffirmed) |
| 17 Nov 2023 | Cash Credit | Long Term | 140.00 | ACUITE BBB+ Stable (Reaffirmed) |
| 19 Oct 2023 | Cash Credit | Long Term | 140.00 | ACUITE BBB+ 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 |
|----------------------|----------------------|-------------------|-------------------------|----------------------|----------------------|--------------------------|-------------------------|-----------------------------------|
| State Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 140.00 | Simple | ACUITE BBB+ Stable Reaffirmed |
| State Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 150.00 | Simple | ACUITE BBB+ Stable Assigned |

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

| Sr. No. | Company Name |
|----------------|---|
| 1 | Rajasthan State Seeds Corporation Limited |
| 2 | Government of Rajasthan |

Contacts

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| Mohit Jain Chief Analytical Officer-Rating Operations | Contact details exclusively for investors and lenders |
| Archita Sharma Associate Analyst-Rating Operations | Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in |

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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