



Press Release
THAKURJI SOLVEX PRIVATE LIMITED
July 04, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	66.67	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	50.46	Not Applicable Withdrawn	-
Bank Loan Ratings	1.87	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	66.67	-	-
Total Withdrawn Quantum (Rs. Cr)	52.33	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 66.67 crore bank facilities of Thakurji Solvex Private Limited (TSPL). The outlook remains '**Stable**'.

Further, Acuite has withdrawn the long-term and short-term rating on the Rs. 45.32 Cr. bank facilities of Thakurji Solvex Private Limited without assigning any rating as the same are proposed. The rating is being withdrawn on account of request received from the company.

Acuite has also withdrawn the rating on the Rs. 7.01 Cr. long term bank facilities of Thakurji Solvex Private Limited without assigning any rating as the same have been repaid. The rating is being withdrawn on account of request received from the company and No Dues Certificate received from the lender.

The withdrawal is in accordance with Acuite's policy on withdrawal of ratings as applicable to the respective facility / instrument.

Rationale for reaffirmation

The rating reaffirmation reflects the company's stable operating performance over past two years with low revenues but better margins in FY2024 and vice versa in FY2025. Further, the rating also draws comfort from the established track record of operations with experienced management and the moderately intensive working capital operations of the company. These strengths are however, offset by the moderate financial risk profile and inherent challenges in edible oil industry.

About the Company

Incorporated in 2013, Maharashtra based Thakurji Solvex Private Limited (TSPL) is engaged in solvent extraction with a capacity of 300 tonnes per day and refining of oil with capacity of 100 tonnes per day. TSPL's current product portfolio includes cotton seed-based lint, de oil cake, wash oil, hulls, etc. The extraction and refining facilities are located in Jalna, Maharashtra. The company has its presence in domestic as well as international markets such as South Korea, China and USA. The company is promoted by Mr. Manoj Dhruwkumar Peetyalong with his family members.

Unsupported Rating

Not Applicable

Analytical Approach

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

Key Rating Drivers

Strengths

Established track record of operations

The operations of TSPL is supported by an experienced management lead by Mr. Manoj Dhruwkumar Peety who has an experience of more than two decades in the edible oil industry. Further, the healthy track record of operations has enabled the company to build strong relationships with its customers and suppliers. TSPL also has its presence in USA, China and South Korea through exports. Furthermore, considering the seasonal nature of cotton seed and to achieve optimal utilisation of its capacity the company is in the process of engaging into soya bean oil extraction also with a capacity of 250 TPD from July - August 2025. Moreover, the company has also resorted to renewable sources of solar power and steam turbine to reduce the power costs over the medium term.

Stable operating performance

While the revenues of the company improved to Rs. 350.47 Cr. in FY2025 (Prov.) from Rs. 316.34 Cr. in FY2024 (Rs. 333.13 Cr. in FY2023) on account of increase in the sales volumes and price realisations, however, the operating margins declined to 3.65 percent in FY2025 (Prov.) from 4.15 percent in FY2024 (4.04 percent in FY2023) due to increase in the raw material prices, thereby, leading to a stable operating performance over the past two years. Going forward, with expectations of stable oil prices and additional revenue generation from soyabean refining from FY2026, the operating revenues of the company is expected to improve. Moreover, while the price realisations are susceptible to fluctuations in the raw materials prices, the company expects the margins to remain rangebound within 3.5 to 4.5 percent which shall be a key rating sensitivity.

Moderately intensive working capital operations

The operations of TSPL are moderately intensive, as evident from gross current assets (GCAs) at 95 days in FY2025 (Prov.) (107 days in FY2024). The GCA days are primarily driven by high inventory days which stood at 71 days in FY2025 (Prov.) (83 days in FY2024) owing to the seasonal availability of cotton seed. Further, the company maintains an inventory of 200-300 tons of finished products. However, the receivables period stood healthy at 10 days in FY2025 (Prov.) (13 days in FY2024). On the other hand, the company receives an average credit period of 40 – 45 days; however, it prefers to pay immediately as they receive cash discounts. Therefore, the reliance on working capital limits is moderate, with average utilisation at ~79.63 percent for the last twelve months ended May 2025.

Weaknesses

Moderate financial risk profile

The networth of the company stood low at Rs. 39.87 Cr. on March 31, 2025 (Prov.) (Rs. 37.67 Cr. on March 31, 2024) including unsecured loans to the extent of Rs. 13.35 Cr. which have been subordinated with the bank and considered as quasi equity. Moreover, the gearing though improved continues to be moderate at 1.84 times on March 31, 2025 (Prov.) [2.03 times on March 31, 2024]. Furthermore, the debt-EBITDA levels continue to remain high at 5.49 times on March 31, 2025 (Prov.) [5.59 times on March 31, 2024]. The coverage indicators also stood average with interest coverage ratio (ICR) at 1.86 times (1.86 times in FY2024) and debt service coverage ratio (DSCR) at 1.20 times [1.05 times in FY2024] in FY2025 (Prov.).

Going forward, the financial risk profile is expected to improve on account of scheduled repayment and some prepayment of its long term debt in FY2026 and absence of any further debt funded capex plans in the near to medium term.

Inherent challenges of solvent extraction industry

The solvent extraction industry faces various challenges such as availability of adequate and quality raw material, volatility in realization prices and fluctuating demand. Cottonseed is the major raw material for cotton seed oil and de-oiled cakes. The availability of cotton seed is affected by several factors such as production, climatic conditions, government policies, etc. The quality of cotton seed also plays a major role in the extraction process, as low quality of oil seed may affect the output quantity. Further, the demand and price for cotton seed oil is sensitive to alternate edible oil prices and the prices of oil seeds. The prices of edible oil is also influenced by other factors such as government policies, climatic conditions, oil seed availability, global demand, etc.

Rating Sensitivities

- Growth in scale of operations and profitability margins
- Elongation in the working capital cycle
- Deterioration in financial risk profile leading to a stretch in the liquidity position.

Liquidity Position

Adequate

The liquidity position of TSPL is adequate, with generation of sufficient net cash accruals (NCAs) of Rs. 5.47 Cr. in FY2025 (Prov.) against maturing repayment obligations of Rs. 3.38 Cr. in the same period. Going forward, the NCAs are expected to remain in the range of Rs. 7.0 – 9.0 Cr. against repayments of Rs. 3.27 – 1.00 Cr. for FY2026 and FY2027 respectively. The current ratio also stood moderate at 1.31 times on March 31, 2025 (Prov.). The average bank limit utilisation stood moderate at ~79.63 percent for the last twelve months ended May 2025. However, the unencumbered cash and bank balance stood at low at Rs.0.14 Cr. on March 31, 2025 (Prov.).

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	350.47	316.34
PAT	Rs. Cr.	2.21	1.90
PAT Margin	(%)	0.63	0.60
Total Debt/Tangible Net Worth	Times	1.84	2.03
PBDIT/Interest	Times	1.86	1.86

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. 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
05 Apr 2024	Proposed Short Term Bank Facility	Short Term	1.87	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	1.51	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.16	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.33	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	5.68	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	65.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	41.45	ACUITE BBB Stable (Reaffirmed)
06 Jan 2023	Proposed Short Term Bank Facility	Short Term	1.87	ACUITE A3+ (Reaffirmed)
	Warehouse Receipt Financing	Short Term	25.00	ACUITE A3+ (Assigned)
	Term Loan	Long Term	2.07	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.73	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.76	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	7.72	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	47.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	22.85	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.00	ACUITE BBB Stable (Assigned)
03 Jan 2022	Proposed Short Term Bank Facility	Short Term	1.87	ACUITE A3+ (Assigned)
	Proposed Long Term Bank Facility	Long Term	22.85	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	47.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	7.72	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	3.76	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	3.73	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	2.07	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
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	65.00	Simple	ACUITE BBB 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.	43.45	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.87	Simple	Not Applicable Withdrawn
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2025	0.35	Simple	ACUITE BBB Stable Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2027	1.32	Simple	ACUITE BBB Stable Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	20 Mar 2024	1.33	Simple	Not Applicable Withdrawn
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2025	5.68	Simple	Not Applicable Withdrawn

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Kruti Patel 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.