



Press Release
GANPATI AGRI BUSINESS PRIVATE LIMITED
March 17, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	53.50	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	5.50	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	59.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed long term rating of ‘**ACUITE BBB-**’ (read as **ACUITE Triple B minus**) and short-term rating of ‘**ACUITE A3**’ (read as **ACUITE A three**) on the Rs. 59.00 Cr. bank facilities of Ganpati Agri Business Private Limited (GABPL). The Outlook is ‘**Stable**’.

Rationale for rating

The rating reaffirmation considers the augmentation in scale of operations amidst subdued profitability. The rating also draws support from experienced management and comfortable working capital management. The rating strengths are partially offset by average financial risk profile, susceptibility of profitability to volatility in raw material prices and company’s presence in highly competitive and fragmented edible oil industry.

About the Company

Ganpati Agri Business Private Limited (GABPL) was incorporated in 2011 by Mr. Atul Kumar Singh and his wife Mrs. Anjali Singh, who are both directors, located at Barabanki (UP). The company manufactures rice bran oil and its by-products, de-oiled rice bran cake along with allied products such as mustard cake, de-oiled mustard cake, among others for poultry and cattle feed. GABPL has total manufacturing capacity of 96,250 MT per annum.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Ganpati Agri Business Private Limited to arrive at this rating.

Key Rating Drivers

Strengths

Experienced Management

GABPL is led by directors Mr. Atul Kumar Singh and Mrs. Anjali Singh, who possess extensive expertise in the agribusiness sector. Their experienced management has been pivotal in establishing the company’s operations in rice bran oil and related products, driving innovation and quality since its inception in 2011. This strategic leadership has facilitated significant growth across multiple product segments.

Augmentation in scale of operations amidst subdued profitability

The company's revenue increased and stood at Rs. 401.84 Cr. in FY2024 as against Rs. 262.50 Cr. in FY2023 reflecting a growth of 53.08 per cent in FY2024 due to higher volumes. Further, in 10MFY2025 the company has generated revenue of Rs. 412.21 Cr. The improvement in scale of operations was a result of addition of new customers and increased production. The operating profitability of the company remained subdued and stood at 3.19 percent in FY2024 as against 4.31 percent in FY2023 due to increase in selling and distribution expenses and

lower realisations. In 10MFY2025 the operating profit margin stood at 3.57 percent. The PAT margins remained thin and stood at 0.96 percent in FY2024 as compared to 0.80 percent in FY2023. Going forward, the focus on higher value-added products such as refined mustard oil, refined rice bran oil, refined sunflower oil and refined palm oil are expected to improve operating profitability of the company. Acuite believes, the company's ability to continuously improve on its scale of operations and its profitability will remain as a key rating monitorable.

Comfortable Working Capital Management

The company's operations are comfortable in terms of working capital intensity as evident by GCA days of 86 days in FY2024 as against 81 days in FY2023. The GCA days are driven by inventory and debtor days which stood at 67 days and 20 days respectively in FY2024 as against 42 days and 30 days respectively in FY2023. Bank limit utilization remained moderately high with 87.31 per cent average for the ten months ended January 2024. Acuite believes that working capital operations of the company continue to remain comfortable over the medium term.

Weaknesses

Average financial risk profile

The Company's financial risk profile is average marked by moderate net worth, gearing and average debt protection metrics. Tangible Net Worth as on 31st March 2024 stood at Rs. 43.65 Cr. as against Rs. 32.56 Cr. as on 31st March 2023. The increase in net-worth is driven partly by conversion of unsecured loan from promoters' directors into Quasi equity of Rs.6.06 Cr. and balance by accrual of profit to reserves. The company has converted quasi-equity of Rs. 6.06 Cr. into share capital in FY2025, thereby enhancing its capital structure. The total debt stood at Rs. 86.36 Cr. as on March 31, 2024, constitutes long term debt of Rs. 10.99 Cr, short term debt of Rs.72.74 Cr, CPLTD of Rs. 2.07 Cr. and Rs. 0.56 Cr. of unsecured loans from shareholders. Gearing (Debt/Equity) of the company stood at 1.98 times as of FY2024 as against 1.79 times in FY2023. Interest coverage ratio stood at 2.92 times in FY2024 as against 2.70 times in FY2023. DSCR stood moderate at 1.54 times in FY2024 as against 1.11 times in FY2023. Acuite believes, financial risk profile would remain moderate in the near to medium term in the absence of any debt funded capex plan.

Vulnerability of profitability to fluctuations in raw material prices and intense competition in the industry

India remains dependent on edible oil imports from countries such as Indonesia, Malaysia, Ukraine and Russia. GABPL is entirely into rice bran oil, for which the raw material is procured locally, the availability of which at times seasonal in nature. The volatility in raw material prices is evident from the fact that the raw material to operating income ratio is around 85 per cent over the past three years. In addition, the Indian edible oil industry is intensely competitive due to a large unorganised market and a few large, organised players.

Rating Sensitivities

Continuous Improvement in scale of operations and profitability margins
Deterioration in working capital cycle
Changes in financial risk profile

Liquidity Position

Adequate

The company's liquidity position is adequate marked by adequate net cash accruals against its repayment debt obligations. The company generated net cash accruals in the range of Rs. 6-7 Cr. against the repayment obligation in the range of Rs. 2-3 Cr. in FY2023 and FY2024. Going forward the company is expected to generate adequate net cash accruals against its debt repayment obligations. Unencumbered cash and bank position stood at Rs. 0.65 Cr. as on March 31, 2024. The current ratio 1.23 times as on March 31, 2024.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	401.84	262.50
PAT	Rs. Cr.	3.85	2.10
PAT Margin	(%)	0.96	0.80
Total Debt/Tangible Net Worth	Times	1.98	1.79
PBDIT/Interest	Times	2.92	2.70

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>

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
18 Dec 2023	Stand By Line of Credit	Short Term	5.50	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	1.83	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.90	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	4.99	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.77	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	37.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	5.01	ACUITE BBB- Stable (Reaffirmed)
03 Oct 2022	Proposed Term Loan	Long Term	2.32	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.30	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	4.09	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	3.37	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	4.92	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	32.00	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	12.00	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
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	37.00	Simple	ACUITE BBB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.30	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.50	Simple	ACUITE A3 Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2027	1.13	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2025	0.32	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Mar 2028	3.75	Simple	ACUITE BBB- Stable Reaffirmed

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About Acuité Ratings & Research

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