



Press Release
AVI AGRI BUSINESS LIMITED
June 27, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	161.00	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	39.00	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of ‘**ACUITE BBB-’** (read as **ACUITE triple B minusa**) and short-term rating of ‘**ACUITE A3**’ (read as **ACUITE A three**) on the Rs. 200.00 Cr. bank facilities of Avi Agri Business Limited (AABL). The outlook is ‘**Stable**’.

Rationale for Rating Reaffirmation

The rating reaffirmation considers improvement in the AABL's overall operating performance and financial risk profile in FY2025(Prov). The rating further continues to factor in the extensive experience of AABL's promoters of over three decades in the agro industry. However, the rating remains constrained due to the seasonal nature of its raw material procurement, making it susceptible to price fluctuations, changes in government policies, and changing demand patterns, thereby influencing AABL's operations.

About the Company

Incorporated in 2009 Avi Agri Business Limited is a public limited company with registered office located in Indore, Madhya Pradesh. The company was initially constituted as a private limited company and was converted to a closely held public limited company. The company is promoted and managed by Mr. Vinod Kumar Jain. The company is a part of AV group. AV group consists of flagship company Suraj Impex India Private Limited and other group company Excel Agri Business private Limited. AABL is engaged in Soya extraction (Soya Crude Oil & De-Oiled Cake), edible oil, Lecithin Liquid and powder, Soya flour and grits and soya white flakes.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of AABL.

Key Rating Drivers

Strengths

Experience of promoters and established track record of operations:

AABL was incorporated in 2009. The company is promoted and managed by Vinod Kumar Jain. Vinod Kumar Jain has an experience of over 35 years in the agro industry. The company is ISO 9001:2015 certified towards quality management. The company deals in multiple products including Soya De-oiled cake, soya crude oil, Soya hi-protein meal, Lecithin power and liquid etc. Soya De oil cake and Soya refined oil are sold domestically whereas Soya Hi-protein meal is exported substantially to European countries due to non-genetically modified

sources. AABL's operating performance has witnessed a robust growth in FY2025 (Prov.) as compared to FY2024 and FY2023. The operating income stood at Rs.2439.18 Cr. in FY2025 (Prov.) against Rs.1806.51 Cr. in FY2024 and Rs.2006.48 Cr. in FY2023. The operating profit margin improved to 2.62% in FY2025 (Prov.) against 0.14% in FY2024 and 1.88% in FY2023. The PAT margin also improved to 1.33% in FY2025 (Prov.) against (0.99)% in FY2024 and 0.36% in FY2023. In FY2025 (Prov.) the company has experienced significant growth compared to FY2024 and FY2023 on account of stabilization of international demand and improved global shipping conditions which facilitated the recovery of export orders, particularly from European markets.

Acuite believes the company shall benefit due to its diverse product portfolio and promoter experience over the medium term.

Improved Financial Risk Profile

AABL's financial risk profile is improved in FY2025 (Prov.) marked by healthy net worth, below unity gearing and moderate debt protection metrics. The net worth stood at Rs. 164.54 Cr. as on March 31, 2025 (Prov.), against Rs.132.06 Cr. as on March 31, 2024. The net worth has improved on account of accretion of profits into reserves. The gearing ratio stood below unity at 0.86 times as on March 31, 2025 (Prov.), against 1.45 times as on March 31, 2024. The TOL/TNW stood at 1.66 times as on March 31, 2025 (Prov.), against 1.79 times as on March 31, 2024. Interest Coverage Ratio and DSCR improved to 3.19 times and 2.33 times in FY2025(Prov) from 0.15 times and 0.37 times in FY2024, respectively. Debt/EBITDA level improved significantly to 2.21 times in FY2025 (Prov.) against 71.60 times in FY2024 on account significant improvement in the EBITDA in FY2025(Prov.).

Acuite' believes that financial risk profile of AABL is expected to improve over medium term in absence of any debt funded capex plan.

Weaknesses

Moderate nature of working capital operations

AABL's working capital operations are moderate in nature marked by GCA days of 58 days in FY2025 (Prov.) against 62 days in FY2024. The debtor days stood at 13 days in FY2025 (Prov.) against 02 days in FY2024. The inventory days stood at 36 days in FY2025 (Prov.) against 52 days in FY2024. The creditors days stood at 15 days in FY2025 (Prov.) against 9 days in FY2024. The bank limit utilization for fund based limits stood moderate at ~85.49% and for non-fund based limits it stood low at ~7.50% in the last 11 months ended Mar 25.

Acuite' believes that working capital operations of AABL may continue to remain moderate over the medium term due to the nature of its business operations.

Susceptible to volatility in agriculture commodity prices and change in Government policies

The commodity market is inherently volatile, with prices influenced by multiple factors including government regulations, weather patterns, and global demand-supply dynamics. Any abrupt fluctuation in these prices can materially affect the operations of companies like AABL.

Rating Sensitivities

- Elongation in working capital cycle.
- Significant decline in revenues and profitability affecting the financial risk profile and liquidity position.

Liquidity Position

Adequate

AABL generated sufficient cash accruals of Rs. 40.49 Cr. in FY2025 (Prov.) against repayment obligation of Rs.5.88 Cr. during the same period. It's working capital operations are moderate marked by GCA days of 58 days in FY2025 (Prov.). The average bank limit utilization for fund based limits stood moderate at ~85.49% and for non-fund based limits it stood low at ~7.50% in the last 11 months ended Mar 25. It has around 15% unutilised fund based credit line to meet its incremental working capital needs. The current ratio stood at 1.38 times as on March 31, 2025 (Prov.). AABL maintained unencumbered cash and bank balance of Rs. 0.84 Cr. as on March 31, 2025 (Prov.).

Going ahead, the company is expected to generate healthy cash accruals in the range of Rs.32.64-34.96 Cr. against nil repayment obligation over the medium-term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	2439.18	1806.51
PAT	Rs. Cr.	32.49	(17.88)
PAT Margin	(%)	1.33	(0.99)
Total Debt/Tangible Net Worth	Times	0.86	1.45
PBDIT/Interest	Times	3.19	0.15

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
04 Apr 2024	Packing Credit	Short Term	39.00	ACUITE A3 (Downgraded from ACUITE A3+)
	Covid Emergency Line.	Long Term	9.34	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Covid Emergency Line.	Long Term	2.03	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	26.00	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Proposed Long Term Loan	Long Term	14.63	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	109.00	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
05 Jan 2023	Packing Credit	Short Term	39.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	109.00	ACUITE BBB Stable (Assigned)
	Covid Emergency Line.	Long Term	15.84	ACUITE BBB Stable (Assigned)
	Covid Emergency Line.	Long Term	3.45	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	26.00	ACUITE BBB Stable (Assigned)
	Proposed Long Term Loan	Long Term	6.71	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
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	109.00	Simple	ACUITE BBB- Stable Reaffirmed
Central Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	26.00	Simple	ACUITE BBB- Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2025	6.50	Simple	ACUITE BBB- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2025	1.51	Simple	ACUITE BBB- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	39.00	Simple	ACUITE A3 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.99	Simple	ACUITE BBB- Stable Reaffirmed

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About Acuité Ratings & Research

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