



Press Release
OMSHREE AGRO TECH PRIVATE LIMITED (ERSTWHILE OMSHREE AGRO TECH
August 22, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	106.50	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	15.00	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	121.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple Ba**) and the short-term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs.121.50 crore bank facilities of Omshtree Agro Tech Private Limited (OATPL)(Erstwhile Omshtree Agro Tech Limited). The outlook is revised from '**Negative**' to '**Stable**'.

Rational for rating

The rating reaffirmation reflects improvement in profitability albeit decline in revenues and efficient working capital management. The rating also considers experienced management and established operational track record of the company along with adequate liquidity position. However, the rating is constrained on account of moderate financial risk profile and susceptibility of profitability to volatility in raw material prices and exposure to adverse climatic conditions.

About the Company

Omshtree Agro Tech Private Limited (OATPL) incorporated in 2004, is a Maharashtra based company engaged in the extraction and processing of soyabean oil from soyabean seeds and it also produces soyabean meal, hulls, lecithin and defatted soya flour. The company has its processing unit located in Dhule, MIDC area in Maharashtra on 2,50,000 sq. ft. of land with an installed capacity to process 600 tonnes of soyabean seed per day. The directors of the company include Mr. Sunil Hansraj Agarwal, Mr. Mahendra Omkar Agarwal, Mr. Subhash Omkar Agarwal and Mr. Sachin Mahendra Agarwal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of OATPL to arrive at this rating.

Key Rating Drivers

Strengths

Experienced management and established track record of operations

OATPL has an operational track record of nearly two decades. It is promoted by its directors Mr. Sunil Hansraj Agarwal, Mr. Mahendra Omkar Agarwal, Mr. Subhash Omkar Agarwal and Mr. Sachin Mahendra Agarwal. The

promoters have an extensive experience of over two decades in the vegetable oils and product industry. The directors are being supported by its team of experienced professionals in managing day to day operations of

OATPL. The extensive experience of the management has enabled OATPL to establish a healthy relationship with its customers and suppliers. The company exports its products to Japan, South Korea, China, and Dubai amongst others, which contributes around 10–15 percent of sales each year, which is now gradually increasing every year. Acuité believes that OATPL will continue to benefit from its experienced management and established track record of operations.

Improvement in profitability margins albeit decline in revenues

The revenue of the company stood at Rs.1060.87 crore in FY25 (Est.) compared to revenue of Rs.1138.27 crore in FY24 and Rs. 1192.68 crore in FY23. In Q1FY26, the company reported revenue of Rs. 388.95 crore and a net profit of Rs. 8.85 crore. The estimated operating profit margin for FY25 is 3.37 percent as against 0.84 percent in FY24 and 2.64 percent in FY23. In FY25, the estimated operating profitability margins stood improved due to lower material costs incurred. However, during FY24 the profitability margins declined primarily due to loss in inventory valuations. To ensure an efficient supply chain and maintain the quality of finished goods, the company procured and stocked raw materials. However, inventory value fell because of lower prices and high-cost of purchases. The PAT margin of the company stood at 0.38 percent in FY24 compared to 1.65 percent in FY23. The estimated PAT margin for FY25 improved and stood at ~2.38 percent. Acuite believes, the operating performance of the company would remain stable on the back of steady scale of operations and management of raw material procurement cycle in the near to medium term.

Efficient Working Capital Management

The company is having efficient working capital management as evident from Gross Current Asset (GCA) of 64 days as on March 31, 2024 as against 56 days as on March 31, 2023. The estimated GCA days for FY25 stood around 67 days. The inventory days stood rangebound at 33 days in FY24 when compared against 30 days in FY23. The average inventory holding period of the company is around 30 days. The debtor days stood at 30 days in FY24 against 25 days in FY23. The average credit period allowed to the customers is around 30 days. The creditor days of the company stood at 8 days in FY24 as against 2 days in FY23. The average credit period allowed by the suppliers is around 10 days. The average utilization of the fund-based bank limits of the company stood at ~63.92 percent for the last six months ended July 25. Acuite believes, the working capital management of the company would remain efficient in the near to medium term on account effective management of inventory and receivables.

Weaknesses

Moderate Financial Risk Profile

The company has a moderate financial risk profile marked by tangible net worth of Rs.123.51 crore as on 31 March 2024 as against Rs. 119.25 crore as on 31 March 2023. Further, estimated net worth stood at Rs. 148.74 crore in FY25. The increase in the net worth is due to the accretion of profits to reserves. The gearing level of the company stood at 0.56 times as on 31 March 2024 as against 0.58 times as on 31 March 2023 and is estimated to remain in the same range in the near to medium term. The total debt of the company stood at Rs. 69.56 crore as on March 31, 2024. The total debt comprised of short-term bank borrowing (secured) of Rs. 69.56 crore as on 31 March 2024. The coverage ratios of the company stood moderate with Interest Coverage Ratio (ICR) of 2.38 times for FY24 for against 6.39 times for FY23. The Debt Service Coverage Ratio (DSCR) stood at 2.06 times for FY24 for against 5.04 times for FY23 and is estimated to improve the period FY2024-FY2026. Acuite believes, the financial risk profile of the company would remain moderate on account of absence of long-term debt.

Susceptibility of profitability to volatility in Raw Material Prices and climatic conditions

Soyabean seed, the primary input for processing unit of OATPL, is highly sensitive to agro-climatic conditions, impacting both availability and cost. Given the raw material-intensive nature of food processing, any inability to pass on the price risk has a critical bearing on the profitability metrics.

Rating Sensitivities

- Ability to maintain sustainable growth in scale of operations and profitability
- Ability to maintain efficient working capital cycle
- Changes in the financial risk profile

Liquidity Position Adequate

The company has an adequate liquidity position marked by adequate net cash accruals against no maturing debt obligations. The company generated cash accruals of Rs. 5.16 crore in FY24 and has no maturing debt over the same period. Furthermore, the company is expected to generate adequate cash accruals in the range of Rs. 23–Rs. 25 crore against no maturing debt repayment obligations for FY25-27. The company maintains unencumbered cash and bank balances of Rs. 0.51 crore as on March 31, 2024. The current ratio stood at 2.12 times as on March 31,

2024. The average utilization of the fund-based bank limits of the company stood at ~63.92 percent for the last six months ended July 25.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	1138.27	1192.68
PAT	Rs. Cr.	4.27	19.71
PAT Margin	(%)	0.38	1.65
Total Debt/Tangible Net Worth	Times	0.56	0.58
PBDIT/Interest	Times	2.38	6.39

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
24 May 2024	Letter of Credit	Short Term	15.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB Negative (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	50.00	ACUITE BBB Negative (Reaffirmed)
	Working Capital Term Loan	Long Term	3.35	ACUITE BBB Negative (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	3.15	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	16.00	ACUITE BBB Negative (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	4.00	ACUITE BBB Negative (Reaffirmed)
27 Feb 2023	Stand By Line of Credit	Short Term	5.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	15.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Cash Credit	Long Term	35.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Negative)
	Working Capital Demand Loan (WCDL)	Long Term	40.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Negative)
	Working Capital Demand Loan (WCDL)	Long Term	6.81	ACUITE BBB Stable (Upgraded from ACUITE BBB- Negative)
	Proposed Long Term Bank Facility	Long Term	19.69	ACUITE BBB Stable (Upgraded from ACUITE BBB- Negative)
	Working Capital Demand Loan (WCDL)	Long Term	3.50	ACUITE Not Applicable (Withdrawn)

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.	30.00	Simple	ACUITE BBB Stable Reaffirmed Negative to Stable
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.65	Simple	ACUITE BBB Stable Reaffirmed Negative to Stable
State Bank of India	Not avl. / Not appl.	Term Loan	09 Mar 2022	Not avl. / Not appl.	29 Feb 2028	10.50	Simple	ACUITE BBB Stable Reaffirmed Negative to Stable
State Bank of India	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE BBB Stable Reaffirmed Negative to Stable
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	25 Mar 2021	Not avl. / Not appl.	31 Mar 2025	3.35	Simple	ACUITE BBB Stable Reaffirmed Negative to Stable

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About Acuité Ratings & Research

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