



Press Release
NEEMUCH PROTEINS LLP
October 16, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	58.72	ACUITE BBB- Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	58.72	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE BBB-**' (read as **ACUITE triple B minus**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on Rs.58.72 Cr. bank facilities of Neemuch Proteins LLP (NPLLP). The outlook remains '**Stable**'.

Rationale for rating

NPLLP had appealed the rating reaffirmation on the existing bank facilities to it on September 22, 2025, and had provided incremental information based on which the rating is being upgraded. The information provided clarity about the sustainability of the scale of operations in medium term as evident from the better realizations and increase in volumes.

The upgrade in the rating takes into account the operational performance albeit moderation in revenues during FY25. The rating gets comfort from healthy financial risk profile and adequate liquidity with efficient working capital cycle. The firm is currently expanding into edible segment like soya flax, soya flour and others for human consumption that is expected to enhance the scale of operations both in terms of revenue and profitability by FY27. Infusion of capital to support this expansion plan will remain monitorable factor. The additional information provided that the firm is in process of converting into private limited company and approval of Registrar of Companies (ROC) was in place on 6th October 2025. However, the rating is constraint from intense competition and fluctuating prices of the raw materials which may vary in scale of operations.

About the Company

Madhya Pradesh Based, Neemuch Proteins LLP (NPLLP) was established in 2020 and the commercial production started in the month of November 2022. It is engaged in Extraction of Soya Crude oil from soyabean and refining of the extracted crude oil further. Currently Mrs. Madhu Bala Patidar, Mr. Dheeraj Kumar Modi, Mr. Omprakash Agrawal, Mr. Sanjay Kumar Agarwal, Mr. Kamal Kumar Modi, Mr. Kalyani Patidar and Mr. Sandeep Modi are the partners of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered standalone business and financial risk profile of NPLLP to arrive at the rating.

Strengths

Healthy Financial Risk profile

The firm has healthy financial risk profile marked by improving net worth, gearing below unity and comfortable debt protection metrics. The total tangible net worth improved & stood at Rs.40.38 Cr. as on 31 March 2025 as against Rs. 28.99 Cr. as on 31 March 2024 on the account of accretion of profits into reserves and unsecured loans of Rs.7.00 Cr. has been converted into equity. The gearing improved & stood at below unity at 0.29 times in FY25 as against 1.57 times in FY24. The firm have expansion plans of around Rs. 40.00 Cr. (funded by debt to equity of 5:3 ratio) into edible segment for human consumption that is expected to enhance the scale of operations both in terms of revenue and profitability by FY27. Infusion of capital remains a key monitorable factor. The Total outside liabilities to total net worth (TOL/TNW) stood at 0.69 times as on FY2025 compared to 1.89 times as on FY2024. The debt protection metrics of the company are comfortable marked by interest coverage ratio which stood at 4.12 times for FY2025 as against 3.74 times in FY2024 and Debt Service Coverage Ratio stood at 2.41 times in FY2025 as compared to 2.84 times in FY2024. Acuité believes that going forward, the financial risk profile will continue to remain on similar lines despite debt funded capex plans.

Increase in scale of operations albeit moderation in revenue during FY25

The revenue of the firm stood at Rs.764.44 Cr. in FY25 as against Rs.872.93 Cr. in FY24. The decline in revenue during FY25 was because of low realizations as price of finished goods is directly linked with price of raw material price i.e soyabean. The firm receives orders on a daily basis and deliver it within 7 days. Further, the firm achieved revenue of Rs.164.46 Cr. till Q1FY26, backed by improving price realizations against last year.

The EBITDA margin stood at 2.02% in FY25 as against 1.75% in FY24, because of reduced freight expenses and enhancements in product quality and technology. In FY23-24, the delivery terms were that the final products needed to be delivered at their buyer's site but In FY24-25, the terms got changed the buyer needs to collect it from the company factory. Therefore, freight costs have been reduced. The company is also able to pass on the raw material fluctuations to its customers. The PAT margin stood at 0.62% in FY25, compared to 0.71% in FY24 due to the change in the presentation of tax provisions under the revised Schedule VI norms applicable in FY25. However, Profit before tax (PBT) was improving as compared to the last year. Acuite believes the scale of operations will improve over the medium term backed by order inflows.

Efficient working capital cycle

The working capital cycle was efficient as reflected from GCA days of 19 days in FY2025 as against 21 days in FY2024. Inventory days stood at 15 days in FY2025 as against 14 days in FY2024. The firm has to maintain stock of soyabeans for minimum of 7-8 days depending on the price of raw materials. Debtor days stood at 3 days in FY2025 as compared to 4 days in FY2024. The credit terms with customers are ~8 days for DOC and crude oil. The edible oil is accepted on cash basis. Further, Creditor days stood at 7 days in FY2025 as compared to 4 days in FY2024. The credit terms with suppliers are ~5 days. Acuite believes that the working capital cycle is likely to remain at similar levels over the medium term on the account of nature of operations.

Proximity to Raw material

NPLLP benefits from being close to the soya bean growing regions of Madhya Pradesh. Majority of raw material i.e. soyabean is purchased from farmer via mandis and minimal reliance on registered traders from a distance of 300 km. This also provides a distinct advantage as they can get quality raw materials.

Weaknesses

Exposure to intense competition

The industry continues to face intense competition from both large and organised players as well as from the fragmented & unorganised market. Moreover, low value addition and

volatile input prices also impact the margin.

Vulnerability to volatility in raw material prices & foreign exchange risk

The company's profitability remains exposed to the volatility in the prices of refined edible oil and geo climatic conditions may impact the profitability margins of the company. Acuite believes that company's ability to pass on the volatile prices to the consumers will remain the key monitorable.

Rating Sensitivities

Movement in operating income and profitability margins
Committed infusion of funds by partners to support expansion
Timely completion of debt funded capex plan

Liquidity Position

Adequate

The firm's liquidity position is adequate marked by net cash accruals of Rs. 9.28 Cr. in FY 2025 as against long-term debt obligation of Rs. 1.64 Cr. over the same period. The firm has also made a prepayment of a portion of debt in FY25. The current ratio stood comfortable at 2.07 times as on March 31, 2025, as against 1.62 times as on March 31, 2024. Further, the average maximum bank limit utilization of fund-based for last six months ended July 2025 was 57%. The cash and bank balance of the firm stood at Rs.0.41 Cr. as on March 31, 2025. The management also has flexibility to infuse funds in the business as and when required. The firm have expansion plans of around Rs. 40.00 Cr. (funded by debt to equity of 5:3 ratio) into edible segment for human consumption that is expected to enhance the scale of operations both in terms of revenue and profitability by FY27. Infusion of capital remains a key monitorable factor. The working capital cycle was efficient as reflected from GCA days of 19 days in FY2025 as against 21 days in FY2024. Acuite believes that going forward the firm will maintain adequate liquidity position due to sufficient accruals against debt repayment, moderate current ratio, and moderate reliance on bank limit for funding working capital requirements albeit capex plans.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	765.44	872.93
PAT	Rs. Cr.	4.73	6.18
PAT Margin	(%)	0.62	0.71
Total Debt/Tangible Net Worth	Times	0.29	1.57
PBDIT/Interest	Times	4.12	3.74

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, Acuite 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
22 Sep 2025	Cash Credit	Long Term	50.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	8.72	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.28	ACUITE Not Applicable (Withdrawn)
03 Jul 2024	Proposed Long Term Bank Facility	Long Term	1.64	ACUITE BB+ Stable (Assigned)
	Cash Credit	Long Term	50.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	13.36	ACUITE BB+ 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.	50.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Dec 2031	8.72	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)

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