



Press Release

Shah Pulse Mill

July 14, 2025

Ratings

Security/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	37.15 (Reduced from Rs. 42.17 crore)	IVR BBB- /Stable (IVR Triple B minus with Stable Outlook)	IVR BB / Negative / ISSUER NOT COOPERATING* (IVR Double B with Negative outlook under ISSUER NOT COOPERATING CATEGORY)	Rating Upgraded; outlook revised and removed from ISSUER NOT COOPERATING Category	Simple
Total	37.15 (Rupees Thirty- Seven Crore and Fifteen Lakhs Only)				

***Issuer did not cooperate; based on best available information**

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

For arriving at the rating, Infomerics Ratings has considered the combined financials of Shah Pulse Mill (SPM), Agriflo Foods Private Limited (AFPL) and Shah Agri Impex Private Limited (SAIPL) commonly referred as Shah group hereafter as these entities are engaged in similar line of business, run under a common management and have operational and financial linkages.

Infomerics Ratings has removed the ratings assigned to the bank facilities of Shah Pulse Mill (SPM) from Issuer Not Cooperating category based on adequate information received from the firm to review its ratings.

The upgrade in ratings assigned to the bank facilities of SPM consider improvement in scale of operation and profit level of the Shah group in FY24 (FY refers to period from April 1 to March 31) and subsequently in FY25 (Prov.) albeit thin profit margins leading to sustained improvement in debt protection metrics. The ratings also consider its experienced promoters in agro product-based business, established relations with customer & suppliers, moderate capital structure and favourable demand outlook. However, these rating strengths remain



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constrained due to exposure to intense competition and exposure to agro-climatic condition and vulnerability to commodity (pulses) price movements.

The stable outlook reflects expected stable business performance of the group supported by its experienced promoters and healthy demand of Agri products.

Key Rating Sensitivities:

Upward Factors:

- Sustained growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals.
- Improvement in the capital structure with improvement in overall gearing ratio and improvement in debt protection metrics on a sustained basis.
- Improvement in working capital management leads to improvement in operating cycle and liquidity.

Downward Factors:

- Decline in operating income and/or profitability impacting the cash accrual on a sustained basis.
- Withdrawal of subordinated unsecured loans lead to moderation in the capital structure with moderation in the overall gearing to over 3x and/or moderation in debt protection metrics marked by moderation in interest coverage ratio to below 1.5x
- Any substantial stretch in the working capital impacting the liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters in agro product-based business**

The promoters, Shah family has extensive experience in agro-product based businesses though its various entities engaged in trading and processing of various agro products. Mr. Dilip S Shah has business experience of more than three decades in the industry and is the helm of affairs of the group. The promoters' experience in the agro-products sector mitigates operational risks to some extent.

- **Established relations with customers & suppliers**

Driven by its long presence in the industry the group have developed good client base and has long term relationship with the customers & suppliers being in same business from last three decades. The group purchases the raw material directly from farmers as well as from APMC traders and has wide customer base spread across India.



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- **Improvement in scale of operation in FY24 and in FY25 albeit thin profit margins**

The total operating income (TOI) of Shah group has increased at a CAGR of ~23% from FY2023 to FY2025 with a y-o-y growth from Rs.903.05 crore in FY24(A) to Rs.1093.45 crore in FY25 (Prov.) driven by improvement in average sales realisation coupled with improvement in volume sales of its major product (Dal). However, the operating margin of the group continues to remain thin at ~3% in FY25 (Prov.). The PAT margin also remains thin though improved from 0.62% in FY24(A) to 0.79% in FY25(Prov.). On a standalone basis in FY25 (Prov.) SPM has achieved a revenue of Rs. 440.84 crore with a PAT of Rs. 3.64 crore.

- **Moderate capital structure with improvement in debt protection metrics.**

The adjusted tangible net worth (ATNW) of the Shah group stood comfortable at Rs. 66.98 crore as on March 31, 2025 (Prov.) including subordinated unsecured loan aggregating to Rs.31.50 crore. Long term debt equity moderated from 0.88x as on March 31, 2024, to 1.11x as on March 31, 2025 (Prov.) due to increase in unsubordinated unsecured loan from promoters/directors and their relatives. However, the overall gearing ratio improved to 2.40x as on March 31, 2025 (Prov.), as against 2.56x as on March 31, 2024. Furthermore, the total indebtedness as reflected by TOL/ATNW also improved and stood comfortable at 2.72x as on March 31, 2025 (Prov.) [3.43x as on March 31, 2024]. The debt protection metrics as indicated by interest coverage indicator has improved at 1.58x in FY25(Prov.) vis-s-vis 1.53x in FY 24 driven by increase in absolute EBDITA level. Total debt to EBITDA and Total debt to GCA also improved to 4.90x and 14.53 times respectively as on March 31, 2025(Prov.) [5.91x and 17.89 times respectively as on March 31, 2024]. On a standalone basis, the long-term debt equity ratio and overall gearing ratio stood at 1.49x and 2.72x respectively as on March 31, 2025 (Prov.).

- **Favourable demand outlook**

The global pulse market is expected to experience strong growth, with the Indian market in particular projected to reach 60.00 million tons by 2033, driven by increasing health awareness, population growth, and dietary shifts. While India's domestic production faces challenges, particularly due to climate fluctuations, the country remains a major player and aims for self-sufficiency.

Key Rating Weaknesses

- **Exposure to intense competition**



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High fragmentation due to low entry barriers (in the form of capital and technological intensity) in the agriculture commodity industry has led to limited value addition, which may continue to restrict scalability and flexibility to pass on any hike in raw material prices to end-consumers. The operating margin of the company has remains modest at ~3% for fiscal 2024 and 2025. Improvement in operating margin will remain a key sensitivity factor over the medium term.

- **Exposure to agro-climatic conditions and vulnerability to commodity (pulses) price movements**

The crop yield of agricultural commodities depends on adequate and timely monsoon which impact the raw material availability and prices. The company also remains exposed to other risks inherent in an agro-based business, including pest attacks or crop infections, shift in the food consumption pattern due to price fluctuation etc.

Analytical Approach: Combined

For arriving at the ratings, Infomerics has combined the business and financial risk profiles of Saha Pulse Mill, Shah Agri Impex Pvt Ltd & Agriflo Foods Pvt Ltd, collectively referred as Shah group hereafter. This is because these entities are controlled by the same promoter, engaged in the same line of business and have operational and financial linkage. The lists of companies considered for consolidation are given in Annexure 4.

Applicable Criteria:

[Rating Methodology for Trading Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Consolidation of companies](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

The liquidity profile is expected to remain adequate in the near term with expected adequate cash accruals. The group has expected to earn cash accruals in the range of Rs.11.32 crore – Rs.16.25 crore as compared to its debt obligations in the range of Rs.1.80 crore - Rs.7.98 crore during FY26-FY28. Further, the current ratio of the group stood satisfactory at 1.74x as on March 31, 2025 (Prov.) and the operating cycle of the group improved to 56 days in FY25(Prov.) [67 days in FY24(A)]. However, the average working capital remains high at



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~93% for the last 12 month ended April 2025. Although the promoters are resourceful and Infomerics expects that the promoters will extend need based support as and when required.

About the Entity

Shah Pulse Mill (SMP) - Established in 1988, as a proprietorship concern by Mr. Dilip Shantilal Shah located in Nagpur, Maharashtra Saha Pulse Mill (SPM) is engaged in trading and processing of pulses with a capacity of 12000 tonnes per annum and agricultural goods including peas, maize, moong, toor, toor dal, bardana, and soya de-oiled cakes.

Shah Agri Impex Pvt Ltd (SAIPL): Company was incorporated in October 11, 2012 by Mr. Dilip Shantilal Shah. SAIPL is also engaged in trading and processing of various pulses with a capacity of 12000 tonnes per annum including peas, moong, toor, dal, gram, Chawla dal, masoor, caster seed, lakhodi, bardana and soya de-oil cake. Besides. The company is also engaged in providing warehousing services. The group has as a whole warehousing facility of 112000 sq. ft.

Agriflo Foods Pvt Ltd (AFPL): Incorporated in October 2018, Airflo Foods Pvt Ltd (AFPL) was promoted by Mr. Dilip Shantilal Shah for trading and processing of pulses and Soya D.O.C including Gram and Gram Dall, Toor and Toor Dal. Initially the company was only engaged in trading activities. However, in May 2021 it has commissioned a plant for processing of dal with a capacity of 45200 tonnes per annum. Hence, FY22 was the first year of manufacturing operations.

Financials (Combined):

	(Rs. crore)	
For the year ended/ As on*	31-03-2024	31-03-2025
	Combined	Combined
Total Operating Income	903.05	1093.45
EBITDA	27.24	32.89
PAT	5.64	8.61
Total Debt	160.92	161.05
Adjusted Tangible Net Worth	62.89	66.98
EBITDA Margin (%)	3.02	3.01
PAT Margin (%)	0.62	0.79
Overall Gearing Ratio (x)	2.56	2.40
Interest Coverage (x)	1.53	1.58

* Classification as per Infomerics' standards.

Financials (Standalone):



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(Rs. crore)		
For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	349.12	440.84
EBITDA	8.71	12.00
PAT	1.85	3.64
Total Debt	64.73	73.76
Adjusted Tangible Net Worth	27.11	27.15
EBITDA Margin (%)	2.50	2.72
PAT Margin (%)	0.53	0.83
Overall Gearing Ratio (x)	2.39	2.72
Interest Coverage (x)	1.26	1.42

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:

CRISIL vide its press release dated May 09,2024 has maintained the rating under noncooperative category due to non-cooperation from the company.

CARE Edge Ratings vide its press release dated July 08, 2024, has maintained the rating under non-cooperative category due to non-cooperation from the company.

Any other information: Nil

Rating History for last three years:

Sr. N o.	Name of Instru ment/ Facilit ies	Current Rating (Year 2025-26)				Rating History for the past 3 years			
		Type	Amount outstan ding (Rs. Crore)	Rating		Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	
					27-05-2025	03-04-2024	-	08-02-2023	17-01-2023
1	GECL	Long Term	5.42	IVR BBB-/Stable	IVR BB/Negative/ISSUER NOT COOPERATING*	IVR BB+/Stable	-	IVR BB/Stable	IVR BB/Stable
2	Cash Credit	Long Term	31.73	IVR BBB-/Stable	IVR BB/Negative/ISSUER NOT COOPERATING*	IVR BB+/Stable	-	IVR BB/Stable	IVR BB/Stable
3	Bank Guarantee^	Short Term	-	-	-	-	-	IVR A4	-

* Issuer did not cooperate; based on best available information

^We had rated Bank Guarantee Facility of Rs. 5.00 crore which became the sublimit of Cash credit facility hence it is reclassified under cash credit.



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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility	Rating Assigned/ Outlook
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				(Rs. Crore)	
GECL	-	-	FY26	5.42	IVR BBB-/Stable
Cash Credit	-	-	-	31.73	IVR BBB-/Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Shah-Pulse-Mill-14july25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Company	Consolidation /Combined Approach
Shah Pulse Mill	Full Combined
Agriflo Foods Private Limited	Full Combined
Shah Agri Impex Private Limited	Full Combined

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.