Press Release

Shri Venkatesh Refineries Limited

June 24, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	138.21 (Enhanced from Rs. 92.68 crore)	IVR BBB/Stable **(IVR Triple B with Stable Outlook)**	IVR BBB-/Stable **(IVR Triple B Minus with Stable Outlook)**	Rating Upgraded	Simple
Proposed Long Term Bank Facilities	71.79 (Enhanced from Rs. 67.32 crore)	IVR BBB/Stable **(IVR Triple B with Stable Outlook)**	IVR BBB-/Stable **(IVR Triple B Minus with Stable Outlook)**	Rating Upgraded	Simple
Total	**210.00**	**(Rupees Two Hundred and Ten Crore Only)**			

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

Infomerics Ratings has upgraded its rating assigned to the bank facilities of Shri Venkatesh Refineries Limited (SVRL). The upgrade in the ratings reflects continuous improvement in business performance and comfortable capital structure and debt protection metrics The ratings continue to derive support from the experienced promotors and management team, established brand, location specific benefits with strong procurement network, However, these rating strengths are partially offset by intense competition in the industry resulting in thin operating margin, geographical concentration risk, vulnerability of profitability to fluctuations in prices, and exposure to agro-climatic risks and regulatory risks.

The outlook is stable due to extensive experience of promotors and comfortable financial risk profile of the company.

Key Rating Sensitivities:

Upward Factors

- Sustained growth in scale of business with improvement in profitability

Downward Factors

- Dip in operating income and/or moderation in profitability impacting the debt coverage indicators
- Elongation of the working capital cycle leading to deterioration in liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters and management team

The company is managed by the promoter director Mr. Dinesh Ganapati Kabre along with Mr. Anil Ganapati Kabre, Mr. Shantanu Ramesh Kabre and Mr. Prasad Kabre. The promoters have an experience of four decades in the business of processing, refining and preserving of edible oils. The promoters are actively involved in managing the day-to-day affairs of the company along with the support of experienced and qualified professionals.

Established brand

The company sells soyabean oil and other allied products under the brand name “Rich Soya”, “Rich Sun”, “Silver Gold” and “Diamond Soya” which is well established in Maharashtra, Madhya Pradesh and Gujarat. This provides a competitive edge for the company against unorganized players.

Location specific benefits with strong procurement network

The major raw materials used in the refining process are the raw oil and the chemicals used in the process of refining oil. The raw material is procured mainly from the nearby areas in Maharashtra such as Akola, Latur, Dhulia, and Parali Vaijanath during the season. Also, the company procures imported raw material (de-gum Soyabean oil) from bulk dealers during the off season. The company has established a network spread across the state of Maharashtra catered by over 350 dealers and distributors, distributing its products throughout the state. These agents then distribute the products to the numerous retailers spread across the length and breadth of Maharashtra.

Continuous improvement in business performance

Total operating income has increased from Rs. 629.12 crore in FY23 (refers to period from April 01, 2022, to March 31, 2023) to Rs. 701.64 crore in FY25 (refers to period from April 01, 2024, to March 31, 2025) driven by significant improvement in its sales volume and average sales realisation of edible oil. With the rise in total operating income, profit levels of the company have also improved gradually over the past three financial years. EBITDA and PAT margins improved from 4.42% and 2.28% respectively in FY23 to 5.08% and 2.57% respectively in FY25, mainly due to increase in volume sale and better sales realisation along with rise in scale of operation in manufacturing segment.

Comfortable capital structure and debt protection metrics

Though total debt has increased from Rs. 97.32 crore as on March 31, 2024, to Rs. 128.47 crore as on March 31, 2025, Overall gearing and TOL/TNW has remained comfortable and stood at 0.94x and 1.35x respectively as on March 31, 2025, (previous year it was 1.05x and 1.41x respectively). The adjusted tangible networth of the company increased from Rs. 92.72 crore as on March 31, 2023, to Rs. 135.96 crore as on March 31, 2025.

Key Rating Weaknesses

Intense competition in the industry result in thin operating margin

The edible oil industry in India is highly competitive and fragmented, with numerous refineries and low barriers to entry. This intense competition and market fragmentation typically lead to slim profit margins in the edible oil sector.

Geographical concentration risk

The revenue profile of the company is geographically concentrated with significant proportion of revenue being generated over the years from the state of Maharashtra and Madhya Pradesh.

Vulnerability of profitability to fluctuations in prices, exposure to agro-climatic risks and regulatory risks

The company is vulnerable to agro-climatic risks, considering the availability and prices of its raw materials depending on climatic conditions. Further, the company deals in edible oils, the prices of which are regulated by the government on a continuous basis. The products come under the Essential Commodities Act, where stocking and price levels are tightly controlled. The company's profitability is also vulnerable to the regulatory changes with respect to imported raw materials. SVRL is also exposed to the risks emerging from geo-political issues due to its reliance on import of raw materials.

Analytical Approach: Standalone

Applicable Criteria:

- Rating Methodology for Manufacturing Companies
- Financial Ratios & Interpretation (Non- Financial Sector)
- Criteria on assigning rating outlook
- Policy on Default Recognition
- Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

The liquidity of the company appears to be adequate marked by its sufficient cash accruals vis-à-vis its debt repayment obligations in the near to medium term. The current ratio was also comfortable at 1.61x as on March 31, 2025. The average working capital utilisation remained high at 97.84% during the past twelve months ended March 2025. DSCR and interest coverage is 2.12x and 3.36x respectively as on March 31, 2025.

About the Company

Incorporated on February 28, 2003, Shri Venkatesh Refineries Limited (SVRL) was initially promoted as a private limited company by Mr. Dinesh Ganapati Kabre, Mr. Ramesh Ganapati Kabre and Mr. Anil Ganapati Kabre. Initially, the company started with Manufacturing & Marketing of Soyabean oil and their by-products at Erandol, Jalgaon, Maharashtra. The constitution of the company later converted into a public limited Company since December 30, 2020.

At present, the company is primarily engaged in the business of processing, refining and preservation of Edible oils mainly soyabean oil and cotton seed oil.

The company is operating with refining capacity of 54,000 tons per annum. Apart from the refining of edible oil, the company is also engaged in the business of trading of edible oil mainly soyabean oil, cotton seed oil, palm oil and sunflower oil. The company is selling its edible oil in Maharashtra region under the brand name “Rich Soya”, “Rich Sun”, “Silver Gold” and “Diamond Soya”.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	575.23	701.64
EBITDA	29.43	35.63
PAT	15.03	18.08
Total Debt	97.32	128.47
Tangible Net Worth#	92.72	135.96
EBITDA Margin (%)	5.12	5.08
PAT Margin (%)	2.61	2.57
Overall Gearing Ratio (x)#	1.05	0.94
Interest Coverage (x)	3.49	3.36

** Classification as per Infomerics’ standards.*
#Based on adjusted tangible networth

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (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 in 2022-23
					Date (May 23, 2024)	**Date** (Month XX, 20XX)	**Date** (Month XX, 20XX)
1.	Long Term Fund Based Bank Facilities	Long Term	138.21 (Enhanced from Rs.	IVR BBB/ Stable	IVR BBB-/ Stable	-	-

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (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 in 2022-23
					Date (May 23, 2024)	**Date** (Month XX, 20XX)	**Date** (Month XX, 20XX)
			92.68 crore)				
3.	Proposed Long Term Bank Facilities	Long Term	71.79 (Enhanced from Rs. 67.32 crore)	IVR BBB/Stable	IVR BBB-/Stable	-	-

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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.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	88.00	IVR BBB/Stable
Overdraft	-	-	-	-	15.00	IVR BBB/Stable
Term Loan	-	-	-	December 2030	25.00	IVR BBB/Stable
Term Loan	-	-	-	January 2032	7.70	IVR BBB/Stable
Term Loan	-	-	-	February 2033	2.51	IVR BBB/Stable
Proposed	-	-	-	-	71.79	IVR BBB/Stable

Annexure 2: Facility wise lender details

https://www.infomerics.com/admin/prfiles/Len-Shri-VenkateshRefineries-24june25.pdf

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

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.