



Press Release

CR Global Pulses Private Limited

December 16, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	135.00	IVR BBB-/Stable [IVR Triple B Minus with Stable Outlook]	-	Assigned	<u>Simple</u>
Short Term Bank Facilities	15.00	IVR A3 (IVR A Three)	-	Assigned	<u>Simple</u>
Total	150.00	[Rupees One hundred and fifty 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 assigned its rating to the bank facilities for the long-term facilities to IVR BBB- with stable outlook and short-term facilities to IVR A3 of CR Global Pulses Private Limited.

The assigned rating takes into consideration widely experienced promoters with long track record in industry and diversified product portfolio. The ratings also drew support from comfortable credit risk profile coupled with moderate scale of operations albeit thin profitability. However, these rating strengths are partially offset by intense competition along with inherent industry risk along with tender based nature of operations.

The 'Stable' outlook reflects Infomerics Ratings expectation of improved profitability and growing scale of operations. Infomerics believes the company will continue to benefit from its operational track record in the business resulting in increased scale of operations.

Infomerics Ratings has principally relied on the standalone audited financial results of CR Global Pulses Private Limited up to 31 March 2024 (refers to period April 1st, 2023, to March 31st, 2024) and projected financials for FY2025 (refers to period April 1st, 2024, to 2 March 31st, 2025) - FY2027 (refers to period April 1st, 2026, to March 31st, 2027), and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors



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- Sustained improvement in revenue and profitability while maintaining the debt protection metrics.
- Sustained improvement in the financial risk profile

Downward Factors

- Any significant decline in revenue and/or profitability leading to deterioration in debt protection metrics, specific metrics of TOL/TNW above 2x.
- Any deterioration in capital structure of the company

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Widely experienced promoters with long track record in industry**

The company is a part of the C R Group promoted by the Jhanwar family, the group has been engaged in manufacturing and trading activities for various products since past 50 years. The company is managed by experienced directors, Mr Sushil Kumar Jhanwar who possess experience of two decades in same line of business. Further, the promoters are supported by well qualifies second tier management.

- **Diversified Product Portfolio:**

The company has a multi-unit of commodity cleaning / sorting / grading / packaging for all grains, pulses, seeds, all kind of spices etc. and is also running an integrated cold storage facility for fruits, vegetables, spices, and other agro products, produced under PMKSY scheme of the Ministry of Food Processing.

- **Moderate scale of operations albeit thin profitability**

The total operating income of the company registered a declined by 33.92% during FY24 and stood at Rs. 865.18 crore compared to Rs. 1309.40 crore on account of lower tender bided by the company. The major reason for the bidding lower tenders is the change in constitution of this company. The Gross Cash Accruals (GCA) of the company stood at Rs. 7.95 Crore in FY24 as against Rs. 4.70 Crore in FY23 on account of increase in net profitability. The EBITDA Margin increased by 41 bps and stood at 2.12% in FY24 as against 1.71% in FY23, due to higher margins earned on executed orders as well as decline in manufacturing



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expenses. Subsequently, the PAT Margin increased by 54 bps and stood thin at 0.86% in FY24 improved from 0.32x in FY23 on account of decline in interest and finance cost.

- **Comfortable credit risk profile**

The capital structure of the company stood comfortable marked by overall gearing stood at 0.19x as on 31st Mar'24 improved from 3.17x as on 31st Mar'23 on account of decline in debt. Unsecured loans to the tune of Rs.57.56 crore as on March 31, 2024, have been considered as quasi-equity as the same are subordinate to bank debt. The TOL/TNW ratio stood at 0.65x as on 31st Mar'24 improved from 5.15x as on 31st Mar'23 on account of decline in creditors along with decline in total debt. The debt protection matrix stood moderate marked by with interest service coverage ratio (ISCR) of 1.81x in FY24 improved from 1.37x in FY23 on account of decline in interest expense. And debt service coverage ratio (DSCR) stood at 1.78x in FY24 improved from 1.29x in FY23. The total debt to NCA stood moderate at 2.06x in FY24 improved from 20.24x in FY23

A. Key Rating Weaknesses

- **Intense competition along with inherent industry risk**

The integrated cold storage industry and the agro trading and processing industry is highly fragmented and is marked by the presence of a large number of large players and small players in the market. This intensifies competition and limits the pricing flexibility of the industry participants resulting in low profitability. Further, the company is also exposed to risk associated with the fluctuation in production levels, uncertain weather conditions and limited shelf life of the products.

- **Tender based nature of operations**

Majority of the revenue has been generated through supplies to State Governments after getting successful in the tenders. However, non-renewal of these orders could lead to fluctuation in revenue and profitability of the company.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)



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[Rating Methodology for Trading Companies](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

Liquidity – Adequate

The company's liquidity is adequate marked by expectation of sufficient cushion in cash accruals against its debt repayments for the next 3 years. The company has current ratio of 2.48x as of March 31, 2024. The unencumbered cash and bank balance of company stood at Rs. 0.02 crores as on 31st March 2024. The average utilisation of fund-based limits stands at 66.42% for last 12 months ending September 2024. The operating cycle of the company stood at 40 days in FY24 moderated from 22 days in FY23 on account of increase in inventory days.

About the Firm

Rajasthan based; C R Global Pulses Private Limited (CGPPL) was formed by C R Group. Initially the promoter formed a proprietorship by Mr. Vidhya Sagar Chayal in the name of Baba Ramdev Agro Industries in 2016. Later, on April 01, 2021, the constitution was changed to partnership concern wherein Shri Sushil Kumar Jhanwar & Smt. Kiran Devi Jhanwar have been joined as partners of the firm. April 15, 2024, the constitution again changed to Private Limited company under the name of C R Global Pulses Private Limited. It operates under the C R Group of Nokha, a business established in 1975 with a focus on agro commodities. The company is now engaged in trading and processing agricultural products and serves markets in India and abroad, supplying commodities like pulses and grains to major clients, including government agencies like NAFED and NACOF and also supplies to Army.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	1309.40	865.18
EBITDA	22.44	18.38



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PAT	4.23	7.51
Total Debt	95.14	16.33
Tangible Net Worth (including quasi equity)	30.01	87.57
EBITDA Margin (%)	1.71	2.12
PAT Margin (%)	0.32	0.86
Overall Gearing Ratio (x) (including quasi equity)	3.17	0.19
Interest Coverage (x)	1.37	1.81

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Not applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					-	-	-
1.	Fund Based Limits	Long Term	135.00	IVR BBB-/ Stable	-	-	-
2.	Non-Fund Based	Short Term	15.00	IVR A3	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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).



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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.

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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
Long Term Facility – Cash Credit	-	-	-	-	50.00	IVR BBB-/Stable
Short Term Facility – Bank Guarantee	-	-	-	-	15.00	IVR A3
Long Term Facility – Proposed	-	-	-	-	85.00	IVR BBB-/Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-CRGlobal-dec24.pdf>

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



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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.

