Ankita Agro And Food Processing Private Limited

April 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	9.00	CARE BBB+; Stable	Reaffirmed
Long-term / Short-term bank facilities	36.00	CARE BBB+; Stable / CARE A2	Reaffirmed
Short-term bank facilities	32.00	CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Ankita Agro And Food Processing Private Limited (AAFPL) continue to derive comfort from its strong parentage being a subsidiary of Haldiram Snacks Private Limited (HSPL), and its reputed customer base. Ratings further continue to consider its moderate profitability, capital structure, debt coverage indicators, and adequate liquidity.
However, ratings remain constrained due to moderate scale of operations and profitability margins susceptible to fluctuations in raw material prices and presence in a competitive and fragmented food processing industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in its scale of operations with total operating income (TOI) of over ₹200 crore while maintaining moderate profitability.
- Improvement in capital structure with overall gearing below unity on a sustained basis.

Negative factors

- Any large-sized debt-funded capex leading to deterioration in its capital structure.
- Dilution in Haldiram Group's stake in AAFPL to below 50% or significant deterioration in the credit profile of HSPL.

Analytical approach: Standalone, while factoring parentage and support provided by HSPL.
HSPL holds 76% stake in AAFPL, operating in similar line of business and HSPL has been extending need-based support to AAFPL.

Outlook: Stable
The outlook on the long-term ratings of AAFPL is "Stable" considering the stable demand of oats and the company having established relations with reputed customer base that would enable the company to sustain its moderate profitability over the medium term.

Detailed description of key rating drivers:

Key strengths

Strong parentage of HSPL
HSPL holds 76% stake in AAFPL while balance 24% stake rests with Teltia Trading Private Limited (TTPL), Rishabh Jain, and Sushil kumar Jain. HSPL acquired its stake from former promoters in FY20, while TTPL, Rishabh Jain, and Sushil kumar Jain acquired their stake in April 2024 from Solarworld Energy Solutions Limited (SESL) (who held stake in AAFPL from FY21). Incorporated in 1983, HSPL is a part of the Haldiram group, and manufactures sweets, namkeen, extruded snacks, frozen food, dairy, and syrups under the Haldiram brand. It started out as a namkeen company, and over the years, has diversified into other product categories. HSPL's product profile is diversified, comprising savoury snacks, sweets, frozen foods, spices, ready-to-eat, and baked items, which are marketed across almost all states in northern and eastern India and in over 80 countries. AAFPL gets the benefit in the form of financial support from such resourceful promoter group, management with access to HSPL's established marketing network and procurement of raw material at relatively lower cost. Post-acquisition, HSPL has infused equity share capital worth ₹11.82 crore and has unsecured loans (USL) of ₹10.34 crore as on December 31, 2024, to support AAFPL's operations.

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Reputed customer base
The company is engaged in processing raw oats into oat flakes. The company is engaged into private labelling. Moreover, customers of the company include prominent fast-moving consumer goods (FMCG) players, such as Marico Ltd. and Patanjali Ayurved Ltd. among others.

Moderate profitability
AAFPL's profitability remains moderate marked by PBILDT margin at 12.2% in FY24 and 11.87% in FY23. Gross margin improved sequentially in FY24. However, operating margins remained in similar levels owing to higher directors' remuneration. In 9MFY25, operating margins declined to 6.26% primarily driven by higher raw material costs followed by strategic shift in sourcing of raw oats from Australia to Chile, while sales realisation remained almost same.

Moderate capital structure and debt coverage indicators
Overall gearing improved to 0.89x as on March 31, 2024, from 2.09x as on March 31, 2023, owing to improved net worth considering accretion of profits to reserves. However, with infusion of USL by related parties and higher working capital (WC) limit utilisation, overall gearing remained at 1.82x as on December 31, 2024. Further, AAFPL has provided loans and advances to the tune of ₹27.96 crore as on December 31, 2024, to related parties. Interest coverage remained at 16.67x in FY24 from 8.1x in FY23 owing to lower finance charges, however in 9MFY25, interest coverage remained at 3.77x owing to lower operating profit and higher finance charges considering higher debt (USL and WC).

Key weaknesses

Moderate scale of operations
AAFPL continues to derive the majority of its revenue over ~75% from the sale of plain oats, alongside offering masala oats and atta oats among others. The company reported a moderate yet growing scale of operations with TOI of ₹127.96 crore in FY24 from ₹98.44 crore in FY23. In 9MFY25, AAFPL reported TOI of ₹106.98 crore, and it is expected to achieve ₹130 crore by the end of the fiscal year. With the commissioning of a new granola manufacturing machine with installed capacity of 2400 MTPA from FY26 onwards, AAFPL expects expansion in its product range and revenue scale in the coming years.

Profitability susceptible to volatile agro-based raw material prices
The raw material procured by AAFPL primarily consists of agro commodity, edible oil, and spices. Majority raw materials are procured from Australia, Chile, and Dubai. The company does not have long-term contracts with its suppliers, which exposes the company to raw material price fluctuation risk. AAFPL does not carry large raw material inventory.

Presence in a competitive and fragmented food processing industry
The food processing industry is highly fragmented with presence of several regional players apart from few large players. Over the years, many small regional players have mushroomed across the country which has added to competitive intensity of the industry. The business is also susceptible to changing preferences of consumers among others.

Liquidity: Adequate

The liquidity position of AAFPL remained adequate with moderate operating cycle, comfortable liquidity ratios, and moderate utilisation of fund-based working capital limits. The company does not have long-term debt repayment obligations and is expected to generate moderate GCA of ₹6-14 crore in the near term. Liquidity ratios remained comfortable marked by current ratio of 1.35x as on March 31, 2024. Cash flow from the company operations remained at ₹7.88 crore in FY24. Average utilisation of fund-based working capital limit remained moderate at ~64% in trailing 12 months ended December 2024. Operating cycle of the company continued to remain at moderate level of 53 days in FY24 against 39 days in FY23.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast moving consumer goods	Fast moving consumer goods	Food products	Other food products

New Delhi-based AAFPL (CIN: U15138DL2005PTC132248) was incorporated in 2005 by Rajesh Kumar Jain and his wife, Preeti Jain. Its operations were started from 2013. Subsequently, in February 2020, HSPL has taken over the company from existing promoters by acquiring 76% stake with an objective to enter growing market of oats. In FY21, another company, SESL has purchased balance 24% stake from Rajesh Kumar Jain and Preeti Jain. However, in April 2024, SESL sold its entire 24% stake to TTPL, Rishabh Jain, and Sushil kumar Jain. AAFPL is engaged in processing raw oats into oat flakes. The company's manufacturing unit is at Neemrana, Rajasthan, with total installed capacity of 1400 Metric Tons Per Month (MTPM) as on March 31, 2024. AAFPL had procured machinery to produce Granola having installed capacity of 2400 MTPA. Commercial operation is expected to commence from April 2025 onwards.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	98.44	127.96	106.98
PBILDT	11.69	15.62	6.70
PAT	6.36	10.08	4.17
Overall gearing (times)	2.09	0.89	1.82
Interest coverage (times)	8.10	16.67	3.77

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: CRISIL has reviewed ratings assigned to bank facilities of AAFPL under 'Issuer Not Cooperating' category vide its press release dated June 18, 2024, considering its inability to carry out a rating exercise in the absence of the requisite information from the company.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	9.00	CARE BBB+; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	36.00	CARE BBB+; Stable / CARE A2
Non-fund-based - ST-Forward Contract		-	-	-	5.00	CARE A2
Non-fund-based - ST-ILC/FLC		-	-	-	27.00	CARE A2

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (27-Jun-22)
2	Fund-based - LT-Cash Credit	LT	9.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (05-Apr-24)	1)CARE BBB-; Stable (04-Apr-23)	1)CARE BBB-; Stable (06-Mar-23) 2)CARE BBB-; Stable (27-Jun-22)
3	Non-fund-based - ST-ILC/FLC	ST	27.00	CARE A2	-	1)CARE A2 (05-Apr-24)	1)CARE A3 (04-Apr-23)	1)CARE A3 (06-Mar-23) 2)CARE A3 (27-Jun-22)
4	Non-fund-based - ST-Forward Contract	ST	5.00	CARE A2	-	1)CARE A2 (05-Apr-24)	1)CARE A3 (04-Apr-23)	1)CARE A3 (06-Mar-23) 2)CARE A3 (27-Jun-22)
5	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	36.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (05-Apr-24)	1)CARE BBB-; Stable / CARE A3 (04-Apr-23)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
3	Non-fund-based - ST-Forward Contract	Simple
4	Non-fund-based - ST-ILC/FLC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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