

Unique Organics Limited

October 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	3.00	CARE BBB-; Stable	Upgraded from CARE BB+; Stable
Short-term bank facilities	9.00	CARE A3	Upgraded from CARE A4+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Unique Organics Limited (UOL) considers significant improvement in the overall financial risk profile marked by improved profitability, comfortable debt coverage indicators and built-up of liquidity in the last few years ended FY25 (FY refers April 01 to March 31). Ratings continue to derive strength from experienced promoters and long track record of operations and adequate liquidity.

However, ratings continued to remain constrained, considering high customer and geographical concentration, regulatory risks, intense competition in a fragmented industry, and profitability susceptible to the volatile raw material prices and foreign exchange rate. CARE Ratings Limited (CareEdge Ratings) notes the decline in total operating income (TOI) in FY25 compared to FY24. However, the company's initiatives to expand its manufacturing and trading operations and deepen its presence in the domestic market shall support its performance going forward.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Sustained growth in the scale of operations backed by increasing proportion of the manufacturing segment while maintaining profit before interest, lease rentals, depreciation and tax (PBILDT) margin above 7% on a sustained basis.
- Sustained profitability leading to augmentation of the tangible net-worth base and improvement in the overall liquidity.

Negative factors:

- Significant decline in the scale of operations or PBILDT margin below 5% on a sustained basis
- Overall gearing above 0.50x on a sustained basis.
- Elongation of gross current asset days to over 60 days leading to high reliance on working capital borrowings.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that the company will continue to benefit from experienced promoters and sustain its comfortable financial risk profile in near-to-medium term.

Detailed description of key rating drivers:

Key strengths

Improved profitability with comfortable capital structure and debt coverage indicators

In the last 2-3 years, UOL's profitability improved steadily from 3.16% in FY23 to 4.32% in FY24 and 9.12% in FY25. This was considering benefit of remunerative prices in some of the trading contracts in its key export market along with increased proportion of manufacturing segment. Also, there have not been major bad-debt write-offs in FY24-FY25. With low depreciation and finance costs, profit after tax (PAT) margins also improved from 3.11% in FY24 to 7.01% in FY25. Consequently, UOL reported gross cash accruals (GCA) of ₹10.54 crore in FY25 (FY24: ₹6.34 crore).

Historically, UOL has exhibited a low reliance on the debt. Sustained improvement in the profitability in the last 2-3 years, augmented its tangible net worth base, which stood at ₹33.07 crore as on March 31, 2025. Better collection efficiency, ensures adequate cash flow from operation, reducing its reliance on working capital borrowings.

The company's debt level declined steadily in the last 2-3 years, leading to improved and comfortable capital structure marked by PBILDT interest coverage of 32.78x in FY25 (10.66x in FY24).

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Experienced promoters and long track record of operations

Jyoti Prakash Kanodia, Managing Director, holds over three decades of experience in the same line of business. He looks after overall affairs of the company and is assisted by Madhu Kanodia, director, who looks after production and marketing function of the company. Harish Panwar, CFO, has over a decade of experience in finance and looks after the company's finance function. Directors are assisted by second-tier management, having vast experience in their respective fields. Since its inception in 1993, the company has established robust customer relationships, as evidenced by consistent repeat orders from its clients.

Key weaknesses

Moderate scale of operations

Over past five years ended FY25, UOL's TOI grew at a compounded annual growth rate (CAGR) of 25%. However, in FY25, TOI declined by 26% to ₹150.45 crore (FY24: ₹203.64 crore), primarily due to a slowdown in rice exports to Vietnam. This was driven by export restrictions on broken and parboiled rice, coupled with unfavourable pricing conditions in the destination market.

UOL's export operations were largely centered around trading cereals and animal feed ingredients, while its domestic business focused on manufacturing cattle feed and other animal nutrition products.

Despite decline in export sales, overall impact on revenue was mitigated by the company's strategic expansion into the domestic market. Domestic sales surged by 55%, rising from ₹16.39 crore in FY24 to ₹64.90 crore in FY25. This growth was fueled by increased trading activity in domestic market and a growing contribution from the manufacturing segment. Under its 'ROHINI' brand, UOL supplies cattle feed and animal feed supplements, catering to reputed milk-producing companies in Rajasthan and neighbouring states through contract manufacturing arrangements. Overall export dependency reduced from 92% of TOI in FY24 to 56% in FY25.

For Q1FY26, UOL reported TOI of ₹32.52 crore (Q1FY25: ₹31.10 crore).

Presence in a highly competitive and fragmented industry and profitability being susceptible to raw material price volatility and foreign exchange rate

UOL is present in a highly competitive and fragmented cattle feed industry. High competition from several mid-sized players as well as few large entities in the animal feed exports business limits the pricing power. UOL's trading sales majorly comprises exports of various products viz. broken rice (brown and parboiled rice), soyabean meal and maize among others.

These commodities are seasonal in nature regarding its availability. Its prices are affected by factors such as weather conditions, rainfall pattern, sowing pattern and demand-supply dynamics. Since, UOL does not enter long-term supply contracts with its customers, adverse movement in the commodity prices has bearing on its profitability.

UOL is a net exporter and earned ~56% of its TOI from exports in FY25 (FY24: 92%), while imports are nil. Its profitability remains susceptible to forex fluctuations, considering absence of the active hedging policy. UOL has reported forex gain of ₹1.36 crore in FY25 (₹1.69 crore in FY24).

High product and geographical concentration along with exposure to regulatory risk

In FY25, broken rice contributed 71% of UOL's TOI (FY24: 73%) reflecting concentrated product profile. However, the dependency is reduced to an extent with broken rice forming 57% of TOI in Q1FY26. Revenue share of manufactured cattle feed has also improved from 8% in FY24 and 13% in FY25 to 19% in Q1FY26. UOL's customer base is moderately diversified with top five customers forming 61% of its TOI in FY25 (FY24: 56%).

UOL caters to domestic as well as export market. Export dependency reduced in FY25 with share of exports reduced from 92% of total TOI in FY24 to 56% of total TOI in FY25. Although UOL exports to countries, the share of Vietnam remains significantly higher at 98% of total export sales in FY25 (FY24: 98%), reflecting significant geographical concentration, thus, exposing its operations to the economic and political risk associated with the said country.

UOL's operations are also prone to regulatory risk considering past instances of product getting banned from trading as well as imposition of the import/export duties by government based on the demand-supply dynamics.

Liquidity: Adequate

UOL has adequate liquidity marked moderate GCA against nil term debt repayment obligation and low utilisation of its working capital limits. Liquidity is further supported by free cash and liquid investments of ₹15.31 crore as on March 31, 2025. Month-end utilisation of fund-based working capital bank borrowings remained low at 4% for 12 months ended June 2025. Cash flow from operations grew from ₹12.12 crore in FY24 to ₹13.27 crore in FY25 backed by better collection efficiency, leading to operating

cycle of 34 days as on March 31, 2025 (31 days as on March 31, 2024). Current ratio has also improved from 7.86x as on March 31, 2024, to 12.60x as on March 31, 2025.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Animal Feed

Located in Jaipur (Rajasthan), UOL was incorporated in 1993 by Jyoti Prakash Kanodia along with their relatives and subsequently shares of the company were listed on Bombay Stock Exchange (BSE). UOL is engaged in manufacturing of cattle feeds and trading commodities. Major trading activity of UOL involves exports of broken rice, soyabean meal, maize, barley and spices mainly to Vietnam, Australia, Czechia, Turkey, Ukraine and the USA. The company's manufacturing plant is at Sitapura Industrial Area, Jaipur.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	203.64	150.45	32.52
PBILDT	8.80	13.72	2.90
PAT	6.34	10.54	2.33
Overall gearing (times)	0.06	0.00	0.00
Interest coverage (times)	10.66	32.78	15.35

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

Status of non-cooperation with previous CRA: Not applicable

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	3.00	CARE BBB-; Stable
Fund-based - ST-EPC/PSC	-	-	-	-	4.00	CARE A3
Fund-based - ST-FBN / FBP	-	-	-	-	5.00	CARE A3

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-Cash Credit	LT	3.00	CARE BBB-; Stable	-	1)CARE BB+; Stable (10-Oct-24)	1)CARE BB; Stable (05-Oct-23)	1)CARE BB-; Stable (10-Oct-22)
2	Fund-based - ST-EPC/PSC	ST	4.00	CARE A3	-	1)CARE A4+ (10-Oct-24)	1)CARE A4 (05-Oct-23)	1)CARE A4 (10-Oct-22)
3	Fund-based - ST-FBN / FBP	ST	5.00	CARE A3	-	1)CARE A4+ (10-Oct-24)	1)CARE A4 (05-Oct-23)	1)CARE A4 (10-Oct-22)

LT: Long term; ST: 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	Fund-based - ST-EPC/PSC	Simple
3	Fund-based - ST-FBN / FBP	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge 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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in
Relationship Contact Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Jignesh Trivedi Assistant Director CARE Ratings Limited Phone: 079-40265631 E-mail: jignesh.trivedi@careedge.in Bhaumik Shah Analyst CARE Ratings Limited E-mail: Bhaumik.shah@careedge.in

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