Gujarat Ambuja Exports Limited (Revised)

December 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	145.00	CARE AA-; Stable	Assigned
Long Term Bank Facilities	250.00 (Reduced from 350.00)	CARE AA-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of Gujarat Ambuja Exports Limited (GAEL) continues to derive strength from its long operational track record in agro processing businesses and its leading market position in the domestic maize processing segment, diversified revenue profile supported by a wide product portfolio, strategic location of its plants providing competitive advantage, and reputed clientele across end-user industries. The rating factors GAEL's strong financial risk profile marked by net-debt free profile, comfortable debt coverage indicators, and strong liquidity. The rating also factors GAEL's planned diversification into speciality chemicals and fermentation-based products shall further strengthen its business risk profile in the medium term.

However, GAEL's rating is tempered by vulnerability of its operating (profit before interest, lease rentals, depreciation, and taxation [PBILDT]) margin to volatility in agro-commodity prices and foreign exchange rates. The rating also considers moderation in operational performance of its maize processing segment in FY25 (FY refers to period April 01 to March 31) which persisted in H1FY26 due to weak export demand and excess domestic supply. The profit before interest and tax (PBIT) margin of the maize processing segment fell sharply to 3% in H1FY26 compared to 10% in H1FY25. However, the same was partly offset by higher margin in agro processing division limiting overall profitability erosion. Quick revival in the export demand and continued growth in the domestic demand for GAEL's products and consequent improvement in profitability margin remain key monitorable. CARE Ratings Limited (CareEdge Ratings) also takes cognisance of the inherent risk associated with GAEL's large-sized capex plans. However, the company plans to fund a large part of the capex through internal accruals, which largely mitigates the risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significantly growing scale of operations with sustained improvement in PBILDT margin of over 10% backed by increasing share of value-added products.

Negative factors

- Declining PBILDT margin to below 7% on a sustained basis.
- Large-size debt-funded capex or elongating working capital cycle leading to overall gearing of over 0.50x and net debt/ PBILDT of over 1x.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that GAEL will maintain its strong cash accruals backed by an established track record and leading market position in the domestic maize processing industry. Stable outlook also reflects sustenance of its healthy debt coverage indicators, and capital structure.

Detailed description of key rating drivers:

Key strengths

Long operational track record and leading market position in the domestic maize processing industry

Manish Gupta, Managing Director, looks after GAEL's overall management and strategic activities. The company also benefits from guidance from eminent personalities on its Board, who have rich experience across diverse industries. GAEL is an established agro processor with a track record of over 30 years. It has long-standing relationship with suppliers, farmers, customers, and other stakeholders.

The company primarily operates under four divisions: maize processing, agro processing (mainly soybean), cotton yarn, and renewable energy. Maize processing is GAEL's dominant division due its large processing capacity, relatively higher and stable operating profit margin profile and better growth potential considering increasing demand for starch and its derivatives. GAEL's maize processing division's revenue grew by compound annual growth rate (CAGR) of 14% in the last four years ended FY25,

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

despite a decline of 2.3% in FY25 (y-o-y). Share of maize processing in GAEL's total revenue stood at ~73% in FY25 (PY: ~70%). As on June 30, 2025, GAEL possesses maize processing capacity of ~5,000 metric tonne per day (MTPD/TPD), which is the largest in India.

Diversified revenue stream and strategic location of plants

GAEL's product portfolio includes corn starch and other downstream value-added derivatives, such as liquid glucose, dextrose monohydrate, dextrose anhydrous, sorbitol, refined edible oils (mainly soybean oil), de-oiled cake (DOC), vanaspati ghee, and cotton yarn. GAEL's revenue is also geographically diversified with exports contributing ~26% of total operating income (TOI) in FY25 (FY24: 36%). GAEL mainly exports to southeast Asian countries, including Korea and Bangladesh.
GAEL has 12 manufacturing facilities at 10 locations across Gujarat (three), Madhya Pradesh (two), Maharashtra (two), Uttarakhand (one), Karnataka (one), and West Bengal (one). These strategic locations offer advantages to GAEL in terms of easy availability of raw materials considering proximity of its plants to regions, that are major cultivators of its agro inputs and proximity to customers resulting in savings in logistic costs.

GAEL is implementing a capex to add speciality chemicals and fermentation-based products to its product portfolio. Post the commercialisation, it shall further strengthen the business risk profile of the company.

Diversified clientele across end-user industries

Stringent end-customer approvals for manufacturing set-up and products act as entry barriers for players in the maize processing industry. GAEL has been supplying its products to reputed customers in the end-user industries, such as food and food products, fast-moving consumer goods (FMCG), animal feed, paper, textile, pharmaceuticals, and chemical among others. The diversification across industries and clients mitigates the risk associated with cyclicality in respective industries. The customer profile is also diversified with top 10 customers of GAEL's maize processing division accounting for 24% (PY: 27%) of its total income from maize processing division in FY25.

Healthy scale of operations and profitability

GAEL's TOI declined by 6.32% (y-o-y) but stood healthy at ₹4,616 crore in FY25. Revenue from its maize processing division declined by 2% (y-o-y) in FY25 due to lower sales volume of starch and other derivatives products. Demand of starch and key derivatives from overseas markets remained lower in FY25 considering trade and political uncertainties and increased global competition. Domestic demand of starch and derivate products also faced headwinds due to lower-than-envisaged consumer spending. GAEL has added 1,000 MTPA maize processing capacity in FY25 and is adding another 1,000 MTPA capacity in FY26. This will lead ~50% increase in its total installed maize processing capacity over two years. The company expects revival in domestic demand for starch and other derivatives. Ramping up of the additional capacities will be key for growth in its scale of operations.

Revenue from its agro processing division also declined by 18% (y-o-y) in FY25 due to fall in edible oil prices and marginally lower sale volume compared to last year. No new capacities are being added under agro processing division as the existing capacities are being underutilised. GAEL' s TOI is expected to grow by 8% to 10% p.a. in medium term considering capacity addition in its maize processing division and healthy order execution in its agro processing division in H1FY26.

GAEL's PBILDT margin remained at ~9% in FY25 (PY: ~9%). PBILDT margin of its maize processing division remained weaker than envisaged. Domestic maize prices remained higher in FY25 due to diversion of some of the maize crop for ethanol production. Increase in maize price could not be fully passed on to the customers considering excess capacity in the country, thus leading to weakening of operating profit margin in FY25 (y-o-y). However, there was a marked improvement in the performance of its agro processing division, which helped GAEL to maintain its overall operating profitability margin.

GAEL's revenue grew by 25% in H1FY26 compared to H1FY25, driven by significant volume growth in its agro processing division. However, performance of the maize processing segment remained weak leading to 20% decline in GAEL's PBILDT in H1FY26 (y-o-y). Domestic starch prices corrected ~10%-12% due to competitive pressure in export markets and overcapacity in the domestic market. Cascading effects were also observed on the starch-based derivative prices. Correction in starch and derivative price was without corresponding decline in raw material prices, adversely impacting profitability margins of maize processing industry. Maize processing segment's PBIT margin remained at ~5% and ~1% in Q1FY26 and Q2FY26, respectively (~10% and ~9% in Q1FY25 and Q2FY25, respectively). However, maize prices have started to decline from Q3FY26, which should improve maize processing segment's profitability in coming quarters.

GAEL's operating profit margin is expected to remain ~6% to 7% in near term compared to earlier estimates of 8% to 9%. GAEL's diversified nature of operations enables it to withstand volatile industry scenario better compared to its peers. Better availability of domestic maize at reasonable price and revival in export demand for starch and its derivatives are key monitorable.

Low leverage and comfortable debt coverage indicators

GAEL has a strong capital structure marked by an overall gearing ratio of 0.08x as of March 31, 2025, due to low reliance on external borrowing and a healthy capital base of ₹3,003 crore as on even date. CareEdge Ratings expects GAEL's overall gearing ratio to remain low, as most of the capex planned by GAEL is expected to be funded through internal accruals. GAEL remains debt free on net-debt basis as on March 31, 2025, and is expected to remain net-debt free in near-term. The entire planned capex is expected to be funded entirely through internal accruals.

GAEL has comfortable debt coverage indicators marked by interest coverage of 25x and total debt/PBILDT of 0.55x. CareEdge Ratings expects debt coverage indicators to remain comfortable in the medium term due to stable profitability margin and continued low reliance on external debt.

Stable demand outlook for domestic market, despite overcapacity to persist

Maize is the major raw material used to produce starches and its other value-added derivatives. The major users of starches and other and derivatives are food, textile, paper and packaging, paints, aluminium, and pharmaceutical sectors. All these industries have a stable demand outlook in medium term. The industry witnessed capacity addition in the last 2-3 years by major players and some of the new capacity would become operational in the next one to two years. Additional capacities are likely to be absorbed in the medium term, considering steady increase in demand of corn starch and its derivatives from end-user industries. However, in a short-term, overcapacity might keep operating profit margin of the industry players under pressure.

The edible oil demand is expected to increase in India, with the growing population. Income and population growth are the important indicators that contribute to rising consumption. The edible oil industry is highly competitive with presence of large number of national players and multiple regional players. Being part of a highly fragmented industry, GAEL faces intense pricing competition, constraining its profitability.

Key weaknesses

Inherent risk associated with large-sized expansion project

GAEL increased its maize processing capacity by 1,000 TPD in FY25 and expects to increase capacity by another 1,000 TPD by the end of FY26, which will help it maintain its leadership position in the segment. GAEL is also expanding capacities of value-added products.

GAEL had plans to add ethanol manufacturing capacities. It had obtained necessary regulatory approvals for setting up these capacities. However, the capex plans for ethanol manufacturing have been put on hold due to expectation of profitability being lower than earlier envisaged.

The company is undertaking a project under its wholly owned subsidiary to manufacture food and pharma grade starch derivative products. GAEL will infuse funds in its wholly owned subsidiary for the purpose of capex. On a standalone basis, GAEL incurred capex of ~₹290 crore in FY25 and infused funds of ~₹48 crore in its wholly owned subsidiary for the purpose of capex. GAEL expects to spend ~₹600 crore for the new capex (including funds infusion in its wholly owned subsidiary for capex requirement) in the next two years. Most of the capex is being funded through internal accruals. Timely ramping up of the additional capacities amid industry overcapacity scenario will be a key factor determining its return on capital.

Vulnerability of operating margin to volatility in agro-based raw material prices and foreign exchange rate fluctuations

Maize seed, soybean seed, and raw cotton are the key raw materials used by GAEL for its three divisions. GAEL's operations are vulnerable to the inherent risks associated price of agri-based inputs prices. Raw material prices are linked to agricultural output, which depends on factors such as vagaries of the monsoon, acreage, yield level, and global demand-supply mismatches. Price of agri commodities is also controlled by the Government through setting of minimum support price (MSP). MSP of all types of agri-commodities consumed by GAEL has shown a continuous upward trend in the past.

GAEL's leadership position in the maize processing industry, geographically diverse manufacturing locations, presence of clauses to pass on the input cost volatility to its customers mainly in starch derivative segment (though with some lag) and its financial flexibility help the company mitigate the agro commodity-related risk to an extent.

Liquidity: Strong

GAEL's liquidity remains strong marked by healthy cash-flow from operations, availability of large un-utilised fund-based working capital limits, and healthy unencumbered liquid investments. GAEL reported cashflow from operations of ~₹350 crore in FY25 (~₹213 crore in FY24). Of the total sanctioned secured, unsecured, fund-based, and non-fund-based working capital limits of ~₹1,000 crore, the utilisation remained low at ~44% for 12-months ended September 2025. The company's term debt repayment liability is negligible. GAEL is in the process of executing large-sized capex for expanding capacities of its maize processing division. The projected cash accruals are expected to be adequate to meet the planned capex for FY26-FY28. The liquidity is also supported by cash equivalents and unencumbered liquid investment of ~₹950 crore as on March 31, 2025.

Environment, social, and governance (ESG) risks

Risk factors	Compliance and action by the company
Environmental	▪ GAEL has adopted renewable energy sources, including solar, biomass, and husk. ▪ GAEL has continuously striven to use renewable energy resources, power-saving equipment, and focuses on plantation drives. ▪ GAEL continues to increase the use of biogas engines, biomass-based boilers, and other energy-saving equipment. ▪ At GAEL, all waste generated is either put to alternate use or sold to authorised agencies. GAEL generates solid waste such as ETP sludge, spent earth, soya danthal, mitti from soya seed, and coal ash from boilers. It sells the sludge from ETP to authorised agencies. GAEL's recyclable solid waste is also used in agricultural land as fertilizers. GAEL sells spent earth and coal ash for bricks manufacturing. It also uses soya danthal as boiler fuel to reduce carbon emission.
Social	▪ GAEL tries to source raw materials directly from the farmers with a viewpoint of empowering them. ▪ The premises and offices are accessible to differently abled employees and workers, although there is no such worker at present under GAEL's employment. The company is committed to being an equal opportunity employer and ensures an inclusive workplace for all. An equal opportunity policy is being formulated. ▪ GAEL extended financial support to the Muljibhai Patel Urological Hospital (MPUH), deepened its commitment to inclusive healthcare by contributing to the construction of the Sri Sathya Sai Ambuja Nursing College in Kasindra, Ahmedabad, supported several health-centric initiatives providing protein supplements for pregnant women in Sabarkantha. ▪ In FY24-25, GAEL implemented a range of impactful initiatives to strengthen education and civic participation.
Governance	▪ GAEL has an adequate governance structure. Four out of seven directors on the board are independent directors, including two women directors.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector

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

Incorporated in August 1991, GAEL was promoted by late Vijay Kumar Gupta and his family. GAEL is an Ahmedabad-based diversified agro processor, mainly engaged in four segments: (i) maize processing through corn wet milling for manufacturing unmodified starch and other downstream value-added derivatives; (ii) agro processing for solvent extraction and oil refining (mainly soybean); (iii) cotton yarn manufacturing; and (iv) renewable power generation. GAEL has 12 manufacturing facilities at 10 locations across Gujarat (three), Madhya Pradesh (two), Maharashtra (two), Uttarakhand (one), Karnataka (one), and West Bengal (one). As on June 30, 2025, GAEL had maize processing capacity of ~5,000 MTPD, seed crushing capacity of 4,500 MTPD, refining capacity of 1,200 MTPD, and cotton spinning capacity of 65,000 spindles.

Brief Financials (₹ crore) - Standalone	March 31, 2024 (A)	March 31, 2025 (A)	H1FY25 (UA)	H1FY26 (UA)
Total operating income	4,927	4,616	2,215	2,778
PBILDT	443	417	216	172
PAT	346	251	146	103
Overall gearing (times)	0.07	0.08	0.08	0.09
Interest coverage (times)	24.11	24.94	28.21	11.80

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Working Capital Demand loan	-	-	-	-	100.00	CARE AA-; Stable
Fund-based - LT-Working Capital Limits	-	-	-	-	150.00	CARE AA-; Stable
Fund-based/non-fund-based-Long Term	-	-	-	-	100.00	CARE AA-; Stable
Term Loan-Long Term	-	-	-	June 2035	45.00	CARE AA-; Stable

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-Working Capital Limits	LT	150.00	CARE AA-; Stable	1)CARE AA-; Stable (12-Sep-25) 2)CARE AA-; Stable (06-Aug-25)	1)CARE AA-; Stable (16-Jan-25) 2)CARE AA-; Stable (19-Jul-24)	-	-
2	Fund-based - LT-Working Capital Demand loan	LT	100.00	CARE AA-; Stable	1)CARE AA-; Stable (12-Sep-25) 2)CARE AA-; Stable	1)CARE AA-; Stable (16-Jan-25)	-	-

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
					(06-Aug-25)			
3	Term Loan-Long Term	LT	45.00	CARE AA-; Stable	-	-	-	-
4	Fund-based/non-fund-based-Long Term	LT	100.00	CARE AA-; Stable	-	-	-	-

LT: Long 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-Working Capital Demand loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Fund-based/non-fund-based-Long Term	Simple
4	Term Loan-Long Term	Simple

Annexure-5: Lender details

To 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.

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About us:

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