Ambar Protein Industries Limited

July 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	12.27 (Reduced from 13.54)	CARE BBB-; Stable	Upgraded from CARE BB+; Stable
Long Term / Short Term Bank Facilities	5.00	CARE BBB-; Stable / CARE A3	Upgraded from CARE BB+; Stable / CARE A4+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in the ratings assigned to the bank facilities of Ambar Protein Industries Limited (APIL) considers increase in the scale of operations and improved profitability, leading to a growth in the gross cash accruals (GCA) in FY25 (refers the period from April 01 to March 31). Additionally, controlled debt level and an augmentation of the tangible net-worth base has improved the overall financial risk profile of the company.

Ratings, continue to derive strength from APIL's experienced promoters, who have long track record in the edible oil industry, well-established 'Ankur' brand name in western India and adequate liquidity.

ratings continue to remain constrained on account susceptibility of profit margin to raw material price volatility and presence in a highly fragmented and competitive edible oil industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Volume-based growth in the scale of operations with Total operating income (TOI) above Rs.800 crore while maintaining current profitability level.
- Overall gearing below 0.5x and total debt/ profit before interest, lease, depreciation and tax (PBILDT) below 2x on sustained basis.

Negative factors

- Deterioration in the capital structure as marked by overall gearing ratio of above 1x on a sustained basis.
- Decline in the scale of operations below Rs.325 crore and PBILDT margin below 2.50% on a sustained basis.

Analytical approach: Standalone approach while factoring linkages with its group partnership firm i.e. 'Ankur Oil Industries' (Ankur), having common promoters and being the largest customer of APIL (around 77% of overall sales in FY25). Both the entities also share the same strong brand name i.e. 'Ankur'

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that APIL will continue to benefit from long-standing experience of its promoters in the industry along with its royalty free right and licence to use the established brand name of 'Ankur' for branding and sale of its products.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with long track record of operations

Pradeep Khetani looks after the overall operations of APIL in the capacity of Managing Director along with Pradeep Shah, Chairman & Independent Director of the company and Jayprakashbhai Vachhani, whole-time director, and other directors. The promoters in APIL are also partners in Ankur, and has a vast experience in the edible oil industry. Furthermore, the promoters are resourceful and have been infusing funds in the company over the years for various business requirements.

Association with the well-established edible oil brand 'Ankur'

APIL has been granted royalty free right and license to use the established brand name of 'Ankur' for the purpose of branding and sale of its products (i.e., refined edible oils) effective vide a trademark license agreement signed on April 01, 2006. This association with the established brand of Ankur Oil enables the company to have a wider customer reach and brand recall mainly in Gujarat.

Growth in scale of operations

TOI grew significantly by ~25% YoY, reaching Rs. 423 crore in FY25 (FY23: Rs.337 crore). The growth in TOI was primarily driven by improvement in sales realization of cotton seed oil while sales volume grew marginally by ~3%. Overall capacity utilisation

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

remained moderate at 40% in FY25 (FY24: 41%). Gross cash accruals (GCA) of the company stood at Rs. 10.97 crore during FY25 (P.Y: Rs. 4.09 crore).

Improvement in the capital structure and debt coverage indicators

Despite growth in TOI, company's overall reliance on the debt remained moderate with total debt level of Rs.25.96 crore as on March 31, 2025 (Rs.25.50 crore as on March 31, 2024). While debt level remained stable, accretion of the profit to the tangible net-worth, improved the capital structure marked by overall gearing of 0.75x as on March 31, 2025 as compared with 1.02x as on March 31, 2024.

Debt coverage indicators also showed positive momentum in FY25, with the PBILDT interest coverage ratio improving to 6.95x as against 2.37x in FY24 and total debt to GCA of 2.37x as against 6.23x in FY24.

Key weaknesses

Moderate profitability which is susceptible to raw material price volatility

The profitability of APIL although improved however remained moderate as marked by PBILDT margin and profit after tax (PAT) margin of 3.45% (P.Y: 2.14%) and 2.29% (P.Y: 1.03%) respectively for FY25. APIL is mainly engaged in refining of cottonseed oil wherein the profitability margins are moderate due to limited value addition. The prices of raw cotton (key raw material) are highly volatile in nature and depend upon factors like area under production, yield, demand-supply scenario, export quota decided by government and others. The company procures crude cotton oil from crushing oil mills on back-to-back order basis, the prices of which are market driven and also depends upon the price differential with other alternatives. However, due to its established brand name of 'Ankur', CareEdge Ratings notes that APIL has been able to pass on these fluctuations and sustained a moderate profitability over the years.

Presence in highly competitive and fragmented edible oil industry

The edible oil industry is highly competitive with presence of both large national players and multiple regional players Along with logistics and supply chain capability, the large integrated players have a sizeable oil processing and packaging scale with wide distribution network. Thus, profitability of small and mid-sized players is inherently low and is further exposed to movement in prices of raw material, finished goods and other substitutes. Being part of a highly fragmented industry, APIL is faced with intense pricing competition, and hence, cannot fully pass on the price increases to its customers in case of sharp movement in the raw material price in short duration, thereby constraining its profitability. However, with increase in brand awareness, health consciousness and penetration of organised retail, the size of the branded edible oil industry is likely to increase which bodes well for branded refined oil players.

Liquidity: Adequate

The liquidity position of APIL remained adequate as marked by comfortable current ratio, moderate utilization of its working capital limits and sufficient cash accruals against negligible debt repayments. While the current ratio was at 1.45x (FY24:1.21x), its quick ratio remained moderately comfortable at 0.84x (FY24: 0.61x) as on March 31, 2025.

APIL reported positive cashflow from operations of Rs. 2.77 crore in FY25 (FY24: Rs. 6.77 crore). It has low debt repayment obligation of Rs. 0.15-0.30 crore as against envisaged GCA of Rs. 9.5-11.50 crore for FY26-FY28. It has lean operating cycle of 28 days (FY24: 30 days) in FY25. Additionally, cushion is available in the form of seasonal working capital demand loan of Rs. 5.00 crore (available from December to April every year, subject to renewal each year). Unencumbered cash and bank balance remained at Rs.1.13 crore as on March 31, 2025.Further, the working capital cycle remains lean at 30 days for FY25. (FY24: 28 days).

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

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
Factoring Linkages Parent Sub JV Group

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Edible Oil

APIL (CIN: L15400GJ1992PLC018758) was originally incorporated on December 31, 1992, as Moti Protein Industries Limited. The company was taken over by 'Ankur Oil Group' in 2003 and was renamed as Ankur Protein Industries Limited, which was then subsequently changed to APIL in 2015. APIL is promoted by Jayprakashbhai Vachhani and Pradip Khetani along with other director 3 CARE Ratings Ltd. Press Release The company is engaged in refining of cotton seed oil and trading of refined cottonseed, groundnut oil, refined sunflower, refined maize oil and soybean oil. APIL's refining plant is situated at Chandgodar in Gujarat with a capacity of 200 tons of refined oil per day as on March 31, 2025. APIL has been granted royalty free right and license to use the brand name of 'Ankur' for the purpose of branding and sale of its products, i.e., refined edible oils.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Ab)
Total operating income	337.06	421.62
PBILDT	7.22	15.77
PAT	3.15	9.65
Overall gearing (times)	1.02	0.75
Interest coverage (times)	2.94	6.95

A: Audited; Ab: Abridged; 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-Bank Overdraft	-	-	-	-	2.00	CARE BBB-; Stable
Fund-based - LT-Cash Credit	-	-	-	-	10.00	CARE BBB-; Stable
Fund-based - LT-Term Loan	-	-	-	May, 2026	0.27	CARE BBB-; Stable
Fund-based - LT/ ST-Working Capital Demand loan	-	-	-	-	5.00	CARE BBB-; Stable / 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	10.00	CARE BBB-; Stable	-	1)CARE BB+; Stable (05-Jul-24)	1)CARE BB+; Stable (17-Aug-23)	-
2	Fund-based - LT-Bank Overdraft	LT	2.00	CARE BBB-; Stable	-	1)CARE BB+; Stable (05-Jul-24)	1)CARE BB+; Stable (17-Aug-23)	-
3	Fund-based - LT-Term Loan	LT	0.27	CARE BBB-; Stable	-	1)CARE BB+; Stable (05-Jul-24)	1)CARE BB+; Stable (17-Aug-23)	-
4	Fund-based - LT/ ST-Working Capital Demand loan	LT/ST	5.00	CARE BBB-; Stable / CARE A3	-	1)CARE BB+; Stable / CARE A4+ (05-Jul-24)	1)CARE BB+; Stable / CARE A4+ (17-Aug-23)	-

LT: Long 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-Bank Overdraft	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple
4	Fund-based - LT/ ST-Working Capital Demand loan	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated: Not applicable

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.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Kalpesh Ramanbhai Patel Director **CARE Ratings Limited** Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Jignesh Trivedi Assistant Director **CARE Ratings Limited** Phone: : 079-40265631 E-mail: jignesh.trivedi@careedge.in Utsavi Jigneshbhai Shah Lead Analyst **CARE Ratings Limited** E-mail: Utsavi.Shah@careedge.in

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