

Shri Venkatesh Refineries Limited

September 07, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 400.00 Crore (Enhanced from Rs. 210.00 crore)	Regulator[^]
Long Term Rating	IVR A-/Stable (Rating Upgraded)	RBI
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics Ratings has upgraded its rating to the bank facilities of Shri Venkatesh Refineries Limited (SVRL). The upgrade in the ratings reflects improvement in scale of operations along with healthy operating margins in FY26 (refers to period from April 01, 2025, to March 31, 2026). The ratings continue to be supported by established operational track record, experienced promoters and established brand presence, comfortable capital structure and debt protection metrics and location specific benefits with strong procurement network. However, these rating strengths are partially offset by elongated working capital cycle, intense competition in the industry resulting in thin operating margin and vulnerability of profitability to fluctuations in raw material prices, exposure to agro-climatic risks and regulatory risks.

Outlook: Stable

The outlook is stable drawing from the company's experienced promoters, and expectations of increased revenue and profitability in the future based on expanded capacity.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Improved scale of operations along with healthy operating margins in FY26**

The company has enhanced its production capacity from 100 MTPD to 300 MTPD in August 2025, representing a significant increase in its installed capacity. The expanded capacity is expected to support higher production and sales volumes, provide better capacity utilisation and offer greater revenue visibility going forward. The increase in scale of operations is also expected to contribute positively to operating profitability and margins, subject to sustained demand and stable market conditions

TOI witnessed a robust growth of 96.34%, increasing from Rs. 701.64 crore in FY25 to Rs. 1,377.57 crore in FY26, primarily driven by a substantial increase in sales volumes from 50,335 MT to 98,425 MT, coupled with an improvement in average realisation from Rs. 1,14,686/MT to Rs. 1,29,356/MT.

Absolute EBITDA increased by 105.15%, from Rs. 35.63 crore in FY25 to Rs. 73.10 crore in FY26, supported by the higher scale of operations and improved operating efficiencies. The company's established brand presence and satisfactory market acceptance have further supported the improvement in operating profitability. Consequently, EBITDA margin improved from 5.08% in FY25 to 5.31% in FY26. Further, PAT increased by 111.34%, from Rs. 18.08 crore in FY25 to 38.20 crore in FY26, reflecting the significant improvement in the company's overall operating performance and profitability.

- **Established Operational Track Record, Experienced Promoters and Established Brand Presence**

SVRL has been operating in the edible oil industry for over two decades, reflecting a well-established operational track record. The company is promoted and managed by the Kabre family, which possesses more than four decades of experience in the edible oil industry, supported by a seasoned and experienced management team. SVRL is engaged in the manufacturing and trading of edible oils, with its core operations involving the refining of crude edible oils into refined oils suitable for human consumption and their subsequent marketing under its own brands.

The company's product portfolio primarily includes refined soybean oil and other edible oils, depending on prevailing market demand, while its trading activities are largely focused on refined palm oil. SVRL follows a diversified business model, comprising branded retail sales under established brands such as 'Rich Soya' and 'Rich Sun', along with bulk sales to distributors and institutional customers. The company has a significant presence in rural and semi-urban markets, where its established distribution network and brand familiarity support its market position.

The company's longstanding presence in the industry has enabled it to develop established relationships with customers, distributors and suppliers across its key business segments. The promoters' extensive industry experience, coupled with the company's established operating track record, diversified product portfolio and recognised brand presence, is expected to continue to support its business risk profile and competitive position over the medium term.

- **Comfortable capital structure and debt protection parameters of the company**

Overall gearing and TOL/ATNW based on adjusted tangible networth of the company have deteriorated to some extent from 0.94x and 1.35x respectively as on March 31, 2025, to 1.32x and 2.09x respectively as on March 31, 2026, primarily due to increase in total debt from Rs. 128.47 crore as on March 31, 2025, to Rs. 245.21 crore as on March 31, 2026, due to increase in working capital borrowings and terms loans. Total debt includes term loan of Rs. 47.05 crore, working capital borrowings of Rs. 194.66 crore and unsecured loan of Rs. 3.50 crore. Adjusted tangible networth of the company includes Rs. 22.12 crore as equity share capital, Rs. 86.45 crore as surplus P&L, Rs. 8.78 crore as securities premium account, Rs. 0.50 crore as capital reserve and Rs. 68.19 crore as unsecured loan treated as quasi equity as it is same mentioned in the sanctioned letter.

Total debt/EBITDA and Total debt/NCA has improved from 3.61x and 6.44x respectively as on March 31, 2025, to 3.35x and 5.94x respectively as on March 31, 2026, primarily due to increase in EBITDA and GCA from Rs. 35.63 crore and 19.94 crore as on March 31, 2025, to Rs. 73.10 crore and 41.25 crore respectively as on March 31, 2026

Interest coverage and DSCR has improved from 3.36x and 2.12x respectively in FY25 3.79x and 2.19x respectively in FY26 primarily due to improvement in overall profitability of the company

The TOI/Gross Block ratio improved from 10.10x as of March 31, 2025, to 14.85x as of March 31, 2026, indicating improved asset utilisation and the company's ability to generate higher revenue from its gross fixed asset base.

- **Location specific benefits with strong procurement network**

The key raw materials required for the company's refining operations primarily comprise crude/raw edible oil and various chemicals used during the refining process. The company mainly sources its raw materials from nearby regions of Maharashtra, including Akola, Latur, Dhulia and Parli Vaijnath, particularly during the peak procurement season. During the off-season, the company also procures imported de-gummed soybean oil from domestic bulk dealers to ensure adequate availability of raw materials and continuity of operations.

The company has established a well-developed distribution network across Maharashtra, supported by more than 350 dealers and distributors. These channel partners facilitate the distribution of the company's products across various markets in the state and further supply the products to a wide network of retailers. The extensive dealer-distributor network provides the company with broad market reach and access to a diversified customer base, particularly across rural and semi-urban markets, thereby supporting its sales and distribution capabilities.

Weaknesses

- **Elongated working capital cycle**

The company's working capital operations are moderate, but it has improved marked by gross current assets stood at 126 days in FY26 (PY it was 135 days) The relatively higher GCA days are primarily attributable to higher inventory holding requirements. The inventory days stood at 85 days in FY26 (PY it was 113 days). Inventory levels remained elevated due to higher stocking requirements following the commissioning of the new refining facility during FY26 and the increase in scale of operations, along with the need to maintain adequate inventory for timely customer servicing. The debtor collection period stood at 9 days in FY26(PY it was 7 days), broadly in line with the average collection cycle the creditor payment period increased from 20 days in FY25 to 24 days in FY26.

- **Intense competition in the industry result in thin operating margin**

The edible oil industry in India is highly competitive and fragmented, with numerous refineries and low barriers to entry. This intense competition and market fragmentation typically lead to slim profit margins in the edible oil sector.

- **Vulnerability of profitability to fluctuations in raw material prices, exposure to agro-climatic risks and regulatory risks**

The company is vulnerable to agro-climatic risks, considering the availability and prices of its raw materials depending on climatic conditions. Further, the company deals in edible oils, the prices of which are regulated by the government on a continuous basis. The products come under the Essential Commodities Act, where stocking and price levels are tightly controlled. The company's profitability is also vulnerable to the regulatory changes with respect to imported raw materials. SVRL is also exposed to the risks emerging from geo-political issues due to its reliance on import of raw materials.

Liquidity – Adequate

The company's liquidity position remains adequate, supported by healthy net cash accruals of Rs. 41.25 crore in FY2026, against debt repayment obligations of Rs. 8.33 crore during the year, providing sufficient cushion for meeting scheduled debt repayments. Over the medium term, the company is expected to generate cash accruals in the range of Rs. 58.42–84.02 crore, against repayment obligations of Rs. 16.72–15.94 crore, indicating comfortable coverage of debt servicing requirements through internal accruals.

The company's reliance on fund-based working capital limits remains moderate, with average utilisation of around 85% during the 12 months ended June 2026. The company-maintained cash and bank balances of Rs. 8.02 crore as of March 31, 2026, while the current ratio stood at 1.36x, indicating an adequate short-term liquidity position.

Overall, the liquidity position is expected to remain adequate over the near to medium term, supported by healthy internal cash generation, manageable debt repayment obligations and adequate short-term liquidity. However, relatively high utilisation of working capital limits remains a factor to be monitored.

Rating Sensitivities

Upward Factors

Sustained growth in scale of business with improvement in profitability
Improvement in working capital management with Gross Current Assets below 100 days on sustained basis

Downward Factors

Steep decline in operating income and/or moderation in profitability impacting the debt coverage indicators
Elongation of the working capital cycle leading to deterioration in liquidity.
Deterioration in financial risk profile with DSCR below 2x and overall gearing above 2x.

About the Company

Incorporated on February 28, 2003, Shri Venkatesh Refineries Limited (SVRL) was initially promoted as a private limited company by Mr. Dinesh Ganapati Kabre, Mr. Ramesh Ganapati Kabre and Mr. Anil Ganapati Kabre. Initially, the company started with Manufacturing & Marketing of Soyabean oil and their by-products at Erandol, Jalgaon, Maharashtra. The constitution of the company later converted into a public limited Company since December 30, 2020.

At present, the company is primarily engaged in the business of processing, refining and preservation of Edible oils mainly soyabean oil and cotton seed oil. The company is operating with refining capacity of 1,08,000 tons per annum. Apart from the refining of edible oil, the company is also engaged in the business of trading of edible oil mainly soyabean oil, cotton seed oil, palm oil and sunflower oil.

The company is selling its edible oil in Maharashtra region under the brand name "Rich Soya", "Rich Sun", "Silver Gold" and "Diamond Soya".

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	701.64	1377.57
EBITDA	35.63	73.10
PAT	18.08	38.20
Total Debt	128.47	245.21
Tangible Net Worth (TNW) [#]	135.96	185.56
EBITDA Margin (%)	5.08	5.31
PAT Margin (%)	2.57	2.77
Overall Gearing (times) [#]	0.94	1.32
Interest Coverage (times)	3.36	3.79

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

[#]based on adjusted tangible networth

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

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

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



Rating History for last three years

Sr. No.	Instruments / Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					June 24, 2025	May 23, 2024	-
1.	Fund based facilities	LT	272.54	IVR A-/Stable	IVR BBB/Stable	IVR BBB-/Stable	-
2.	Proposed fund-based facilities	LT	127.46	IVR A-/Stable	IVR BBB/Stable	IVR BBB-/Stable	-

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	Listing Status	Regulator^	Complexity Indicator
Term Loan	-	-	-	December 2031	21.95	IVR A-/Stable	NA	RBI	Simple
Vehicle Loan	-	-	-	December 2030	7.65	IVR A-/Stable	NA	RBI	Simple
ECLGS 5.0	-	-	-	June 2032	14.94	IVR A-/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	113.00	IVR A-/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	115.00	IVR A-/Stable	NA	RBI	Simple
Proposed	-	-	-	-	127.46	IVR A-/Stable	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details

[https://infomericstorage.blob.core.windows.net/uploads/Len Shri Venkatesh Refinerie s 7sept26 4b708fbc32.pdf](https://infomericstorage.blob.core.windows.net/uploads/Len%20Shri%20Venkatesh%20Refinerie%20s%207sept26%204b708fbc32.pdf)

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

Annexure 4: List of companies considered for Consolidated/Combined analysis: Not applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.



There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: *For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

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