

Modi Naturals Limited

April 28, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 65.00 Crore	Regulator[^]
Long Term Rating	IVR BBB/Stable (Rating Upgraded)	RBI
Short Term Rating	IVR A3+ (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 and Valuation Limited (IVR) has upgraded the long-term rating to IVR BBB with Stable outlook and short-term rating to IVR A3+ for the bank loan facilities of Modi Naturals limited (MNL).

The rating continues to draw comfort from established brand with strong marketing and selling networks, locational advantage of the ethanol plant, improvement in business performance with improved profitability and experienced promoters. However, these strengths are partially offset by intense competition in the edible industry resulting in thin operating margin, vulnerability of profitability to fluctuations in prices, exposure to agro-climatic risks and absence of long-term offtake agreement with OMCs.

IVR has principally relied on the consolidated audited financial results of the company up to 31 March 2025, (i.e. review period from 1st April 2024 to 31st March 2025), 9MFY26 consolidated unaudited results, projected financials of FY26-FY28 and publicly available information/ clarifications provided by the company's management.

Outlook: Stable

The Stable outlook reflects the company's improved business performance, supported by strong revenue visibility from its ethanol subsidiary and the experience of its promoters.

Analytical Approach

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

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

Key Rating Drivers with Detailed Description

Strengths

- **Established brand with strong marketing and selling networks**

The company sells edible oil and other allied products under the brand names Oleev, Rizolo, Oleev, PIPO and JYNX. with a pan-India distribution network. Further, the Company is also present on various popular e-commerce platforms.

- **Locational advantage of ethanol plant**

The manufacturing facilities of MBPL is in Raipur District of Chhattisgarh. The area has sufficient availability for rice which provides easy availability of Grains to run a grain-based distillery. Accordingly, proximity to the source of raw materials & end user market provides a competitive edge. This apart, the area is well connected by road and rail.

- **Improvement in business performance with improved profitability**

The company reported marginal decline in standalone TOI from Rs. 357.77 crore in FY24 to Rs. 338.01 crore in FY25, primarily due to a reduction in revenues from the bulk edible oil segment, which witnessed a decline of around 16%. The moderation was attributed to stabilizing edible oil prices leading to lower realizations, along with cautious trading following the headwinds faced in FY24 due to government price restrictions and inventory losses. Despite the moderation in TOI, EBITDA margin has improved from 1.57% in FY24 to 3.92% in FY25. This is due to absence of inventory losses that have impacted FY24 operating margin and gradual shift towards higher-margin branded products. PAT margin has also improved from 0.25% in FY24 to 2.24% in FY25, in line with improvement in EBITDA margin.

On consolidated basis, the company reported a significant improvement in its TOI, which increased from Rs. 399.82 crore in FY24 to Rs. 662.91 crore in FY2025. This growth was primarily driven by the ethanol segment, with FY2025 marking the first full year of operations for the subsidiary following the commencement of the ethanol plant in the last quarter of FY2024. Consequently, the subsidiary's revenue rose sharply from Rs. 42.05 crore in FY2024 to Rs. 326.50 crore in FY2025. Profitability marked by EBITDA and PAT also improved in FY2025 from FY2024. EBITDA margin improved from 2.27% in FY24 to 8.45% in FY25. This was supported by the

contribution from the ethanol business, stabilization in raw material prices in the bulk oil segment, increased share of higher-margin branded consumer products, and better operational efficiencies. In line with the improvement in operating performance, PAT margin turned positive and increased to 4.67% in FY2025 from a loss of -0.34% in FY2024.

In 9MFY26, it has further earned consolidated TOI of 476.11 crore with EBITDA margin of 10.46% and PAT margin of 6.43%.

- **Experienced promoters**

The company is promoted by Mr. Anil Modi (Chairperson & Managing Director), having experience of more than four decades in the business of edible oils and other food products. The promoters are actively involved in managing the day-to-day affairs of the company along with the support of experienced and qualified professionals.

Weaknesses

- **Intense competition in the edible industry resulting in thin operating margin**

The edible oil industry in India is characterized by intense competition and fragmented nature, with the presence of many edible oil refineries and low entry barriers. Consequently, pricing flexibility is constrained and profitability is low.

- **Vulnerability of profitability to fluctuations in prices, exposure to agro-climatic risks**

The company is vulnerable to agro-climatic risks, considering the availability and prices of its raw materials depend 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. MNL is also exposed to the risks emerging from geo-political issues due to its reliance on import of raw materials.

- **Absence of long-term offtake agreement with OMCs**

The company currently does not have any long-term offtake agreement with Oil Marketing Companies (OMCs) for the sale of ethanol. Although ethanol procurement in India is largely undertaken by OMCs through periodic tendering under the Ethanol Blending Program, the absence of secured long term offtake arrangements may lead to uncertainty regarding revenue generation.

Liquidity – Adequate

The company has adequate liquidity position. It has generated cash flow from operations of Rs. 59.75 crore in FY25 against repayment obligations of Rs. 13.44 crore for the same period. Further, the company is expected to generate sufficient cash flow from operations during FY26-FY28 which are sufficient for future repayment obligations. It has 42.40% of unutilised working capital limits as on January 31, 2026 which provides additional liquidity buffer.

Rating Sensitivities:

Upward Factors

- Substantial improvement in scale of operations along with improvement in profitability margins.
- Total debt to EBITDA below 2.00 times.

Downward Factors

- Substantial decline in TOI and/or profitability impacting cash accruals and liquidity of the company.
- Any unplanned debt funded capex and/or substantial increase in working capital borrowings leading to deterioration in capital structure.

About the Company

Modi Naturals Limited (MNL) was incorporated in 1974. It is listed company on NSE and BSE. The company is engaged in manufacturing and distribution of edible oils and FMCG products. The manufacturing facilities are located in Pilibhit Uttar Pradesh, Hyderabad, Telangana, and Sonipat, Haryana.

During FY22, MNL incorporated a wholly owned subsidiary, Modi Biotech Private Limited (MBPL, Rated: IVR BBB/Stable) on April 27, 2021. The company is engaged in manufacturing of grain-based ethanol, and the plant is located in Chhattisgarh. MBPL commenced its operation in December 2023 with 130 KLPD distillery. In March 2026, capacity of the plant expanded to 282 KLPD.

Key Financial Indicators (Consolidation):

For the year ended/ As on*	31-03-2024	31-03-2025	9MFY26
	Audited	Audited	Unaudited
Total Operating Income	399.82	662.91	476.11
EBITDA	9.07	56.01	49.82
PAT	-1.38	31.02	30.61
Total Debt	169.53	148.78	-
Tangible Net Worth (TNW)	87.28	118.21	-
EBITDA Margin (%)	2.27	8.45	10.46
PAT Margin (%)	-0.34	4.67	6.43
Overall Gearing (times)	1.94	1.27	-
Interest Coverage (times)	1.17	4.79	7.86

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

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2024	31-03-2025	9MFY26
	Audited	Audited	Unaudited
Total Operating Income	357.77	338.01	230.91
EBITDA	5.61	13.26	10.91
PAT	0.91	7.64	6.99
Total Debt	45.26	30.08	-
Tangible Net Worth (TNW)	39.47	42.26	-
EBITDA Margin (%)	1.57	3.92	4.72
PAT Margin (%)	0.25	2.24	3.03
Overall Gearing (times)	1.15	0.71	-
Interest Coverage (times)	1.31	2.88	6.23

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

Applicable Criteria

[Rating Methodology for Manufacturing Sector 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: Care Ratings through its Press Release dated July 16, 2025, continue the rating of MNL in the 'ISSUER NOT COOPERATING' category on account of inadequate information received from the entity to carry out the review.

Any other information: Nil



Rating History for last three years

Sr. No.	Instrument s/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstand ing (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 in 2023-24	
					-	Jan 29, 2025	Feb 21, 2024	Jan 04, 2024
1.	Fund Based Facilities	LT	55.00	IVR BBB/ Stable	-	IVR BBB- /Stable	IVR BB+/Stable	IVR BB+/Positive
2.	Non-Fund Based Facilities	ST	10.00	IVR A3+	-	IVR A3	IVR A4+	IVR A4+

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturit y Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulato r^	Comple xity Indicat or
Cash Credit	-	-	-	-	55.00	IVR BBB/Stable	Not Applicable	RBI	Simple
Letter of Credit/ Bank Guarantee	-	-	-	-	10.00	IVR A3+	Not Applicable	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_modinaturals_apr26_3062d60d7a.pdf

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

Annexure 4: List of companies considered for Consolidated/Combined analysis:

Name of the Company	Extent of Consolidation	Rationale for consolidation
Modi Naturals Limited	Full Consolidation	-
Modi Biotech Private Limited	Full Consolidation	Wholly owned subsidiary

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

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
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/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
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 ~	Refer foot note
15	Issuer Ratings #	Refer foot note
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	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (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 Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

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.

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

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

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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