

Ajooni Biotech Ltd

Ratings migrated to 'Crisil BB+/Stable'

Rating Action

Total Bank Loan Facilities Rated	Rs 15 crore
Long-Term Rating	Crisil BB+/Stable (Migrated from 'Crisil BB+/Stable Issuer Not Cooperating')

Note: None of the Directors on Crisil Ratings Limited's 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.

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

**Issuer did not cooperate; based on best-available information*

Detailed rationale

Citing inadequate information, and in line with the Securities and Exchange Board of India guidelines, Crisil Ratings had migrated its rating on the long-term bank facilities of Ajooni Biotech Ltd (ABL) to 'Crisil BB+/Stable Issuer Not Cooperating'. However, the company's management subsequently shared the information necessary for a comprehensive review of the rating. Consequently, Crisil Ratings is migrating its rating to '**Crisil BB+/Stable**'.

The rating continues to reflect the extensive experience of the promoter, established customer relationship and comfortable financial risk profile. These strengths are partially offset by exposure to fluctuations in raw material prices and moderation in return on capital employed (RoCE).

Analytical approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of ABL.

Key Rating Drivers - Strengths

- **Extensive experience of the promoter and established customer relationships:** The promoter has more than a decade of experience in the animal feed segment; his strong understanding of market dynamics and healthy relationships with suppliers and customers should continue to support the business risk profile. Also, the company deals with marquee clients in the animal feed industry, which supports its market presence. Revenue was Rs 122.87 crore till December 2025, against Rs 115 crore in fiscal 2025. Furthermore, the company is expected to book a revenue of over Rs 160 crore by the end of fiscal 2026, given the additional capacity being operationalised and consistent demand from the customers. The capacity expansion in the feed segment, along with consistent revenue from the feed supplement division, are expected to support revenue growth over the medium term.
- **Comfortable financial risk profile:** Networth is estimated to be large at Rs 90-95 crore as on March 31, 2026 (against Rs 87.60 crore as on March 31, 2025), due to steady accretion to reserve. Limited reliance on external debt led to strong gearing of 0.04-0.10 time and healthy total outside liabilities to tangible networth ratio of 0.08-0.15 time (0.02 time and 0.07 time, respectively). Debt protection metrics should remain robust, with interest coverage and net cash accrual to adjusted debt ratios of around 22.93 times and 1.45 times, respectively, in fiscal 2026.

Key Rating Drivers - Weaknesses

- **Susceptibility to fluctuations in raw material prices:** Operating margin remains volatile (3-4% during the three fiscals through 2025) because of fluctuations in the cost of key raw materials (de-oiled rice bran, maize, bran and mustard). Furthermore, the ability to pass on any increase in input cost is limited on account of high fragmentation. However, the margin is likely to be 4.5-6.0% over the medium term, driven by incremental sales of feed supplements that provide higher margins of 9-10%; and supported by capacity expansion that provides better control over costs. Sustaining profitability at this level will remain monitorable.
- **Moderation in return on capital employed:** The RoCE remained average at around 6.97% for fiscal 2025 and is expected to weaken further to 6.50-6.80% at the end of fiscal 2026 due to limited impact of the capacity expansion undertaken by the company in the fiscal. However, with capacity expansion in the feed segment, the operating margin and RoCE are expected to improve over the medium term. Continuous improvement in the RoCE will remain monitorable.

Liquidity: Adequate

Bank limit utilisation was ~37% for the 12 months through December 2025. Cash accrual is expected at Rs 6-9 crore per annum against yearly debt obligation of Rs 0.5-0.6 crore over the medium term. Current ratio was healthy at 7.84 times as on March 31, 2025.

Outlook: Stable

ABL will continue to benefit from the extensive experience of its promoter and his established relationship with clients.

Rating sensitivity factors

Upward factors:

- Steady increase in revenue by over 20% and stable operating margin of over 5% leading to improvement in RoCE
- Sustained working capital cycle and financial risk profile

Downward factors:

- Revenue declining by over 25% and operating margin dropping below 4%, resulting in lower-than-expected net cash accrual
- Large debt-funded capital expenditure

About the company

ABL was incorporated in February 2010 and is promoted by Mr Jasjot Singh (chairman and managing director). It manufactures a variety of compound animal feed such as cattle feed, cattle feed chips, camel feed, cotton oil cake, and mustard oil cake; apart from a wide range of feed supplements. The company is listed on the National Stock Exchange.

Key financial indicators

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	114.70	81.80
Reported profit after tax (PAT)	Rs crore	3.32	2.16
PAT margin	%	2.89	2.64
Adjusted debt/adjusted networkth	Times	0.02	0.05
Interest coverage	Times	11.08	7.04

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	6.70	NA	Crisil BB+/Stable
NA	Proposed Cash Credit Limit	NA	NA	NA	3.30	NA	Crisil BB+/Stable
NA	Proposed Fund-Based Bank Limits	NA	NA	NA	4.00	NA	Crisil BB+/Stable
NA	Term Loan	NA	NA	31-Mar-28	1.00	NA	Crisil BB+/Stable

Annexure - Details of Rating Withdrawn

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	15.0	Crisil BB+/Stable	30-01-26	Crisil BB+/Stable(Issuer Not Cooperating)*	08-08-25	Crisil BB+/Stable(Issuer Not Cooperating)*	15-05-24	Crisil BB+/Stable	02-02-23	Crisil BB/Stable	--
			--		--		--	30-04-24	Crisil BB+/Stable		--	--

All amounts are in Rs cr

*Issuer did not cooperate; based on best-available information

Annexure – Details of bank lenders/facilities

Facility	Amount (Rs crore)	Name of Lender	Rating
Cash Credit	6.7	HDFC Bank Limited	Crisil BB+/Stable
Proposed Cash Credit Limit	3.3	Not Applicable	Crisil BB+/Stable
Proposed Fund-Based Bank Limits	2.3	Not Applicable	Crisil BB+/Stable
Proposed Fund-Based Bank Limits	1.7	Not Applicable	Crisil BB+/Stable
Term Loan	1	HDFC Bank Limited	Crisil BB+/Stable

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