

July 01, 2025

## Ganesh Consumer Products Limited: Ratings reaffirmed; rated amount enhanced

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based Limits – Working Capital Facilities	140.00	198.00	[ICRA]A+ (Stable); reaffirmed/ assigned for enhanced amount
Long-term/ Short-term – Non-Fund-based Limits – Working Capital Facilities	5.00	5.00	[ICRA]A+ (Stable)/ [ICRA]A1; reaffirmed
Long-term/ Short-term – Unallocated Limits	-	10.00	[ICRA]A+ (Stable)/ [ICRA]A1; assigned
<b>Total</b>	<b>145.00</b>	<b>213.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The reaffirmation of the ratings considers the established market position of Ganesh Consumer Products Limited (GCPL, erstwhile Ganesh Grains Limited), as one of the major manufacturers of wheat and chana-based products with a strong presence in West Bengal under the brand, Ganesh. GCPL has a significant market share in the packaged wheat and chana products segment in West Bengal and its operating income has witnessed a steady growth over the past three years. GCPL operates in both the business-to-consumer (B2C) and business-to-business (B2B) segments, with a clear focus on B2C. In FY2024, the B2C segment contributed around 74% of the company's turnover and its share in FY2025 is estimated to have remained at similar level. The ratings also derive comfort from the favourable financial profile of the company, as reflected by a healthy RoCE, a conservative capital structure and healthy debt coverage indicators. The ratings further consider GCPL's notable price premium over the unorganised players in the B2C segment. Moreover, stable demand from staple food grains market and strong distribution network are likely to support its revenue growth, going forward.

The ratings are, however, constrained by the intensely competitive business segment, limiting margin expansion and high geographical concentration risk with over 80% of the company's turnover in the past five years coming from West Bengal. ICRA notes that the company operates in an intensely competitive and fragmented industry, facing stiff competition from both large organised and several unorganised players, which limits its pricing flexibility. The ratings also consider the inherent susceptibility of the company's operations and margins to the prevailing agro-climatic conditions and changes in Government policies.

ICRA also notes that the company is in the process to undertake an Initial Public Offer (IPO), comprising offer for sale (OFS) of equity shares by the promoters and PE investors along with a fresh issue (up to Rs. 130 crore) of equity shares. The proceeds of the issue are proposed to be utilised towards repayment of all or a portion of external borrowings, capital expenditure for setting up of a roasted gram flour manufacturing unit and general corporate purpose. GCPL has already filed a draft red herring prospectus (DRHP) in December 2024 and obtained approval from SEBI for a fresh issue and secondary sale of shares, which is valid till March 2026. ICRA will continue to monitor developments in this regard and will take appropriate rating action, if required, once more clarity emerges on this.

The Stable outlook on the long-term rating reflects ICRA's opinion that GCPL's operational and financial performances will continue to benefit from its established market position, growing scale of operations and generation of adequate cash flows relative to its debt service obligations.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters and strong brand recognition in West Bengal** – GCPL was set up as a proprietorship firm in 1936 and has been manufacturing wheat and chana-based products for over eight decades. Over the years, GCPL's brand, Ganesh, has built a strong presence in West Bengal, holding a considerable market share in the packaged wheat and chana products in the state. The company offers a wide range of products such as atta (whole wheat flour), besan (gram flour), maida (refined wheat flour), sattu (roasted gram flour), sooji (semolina), dalia (porridge), instant mixes, cereals and spices, and packaged foods namely, khaman dhokla and mixed idli. The company in the recent past added blended spices (mix masala) and snacks namely, bhujia, chanachur, namkeen, etc. to its product offerings. While these contribute only a small portion, they diversify the company's revenue source.

**Increasing scale of operations over the past few years, likely to continue over the medium term** – The operating income of the company witnessed a steady growth over the past three years, primarily supported by increasing revenue from atta, maida, sooji and sattu. In FY2024, the company's revenue increased by 24% YoY to Rs. 759 crore, following a 34% growth in FY2023. Though the revenue growth in FY2025 moderated from the 24% witnessed in FY2024, it was still at a comfortable level. The growth in revenues over the past two fiscals was primarily contributed by increased volume of sales of spices and other co-products along with improved realisation. ICRA expects the growth momentum to continue in the medium term, mainly on the back of increased offtake of wheat-based products and spices, though the same may moderate to an extent.

**Favourable financial profile characterised by a conservative capital structure and strong debt protection metrics** – The capital structure of GCPL continued to remain conservative over the past years owing to an adequate net worth and low reliance on external debt. The gearing and TOL/TNW stood at 0.2 times and 0.4 times, respectively, as on March 31, 2024 and are estimated to have remained at similar levels as on March 31, 2025. The debt protection metrics of the company have remained healthy over the past few years on the back of adequate level of profits and cash accruals from the business along with relatively lower debt level. Nevertheless, ICRA does not expect any negative impact on the company's capital structure and coverage indicators of the company in the near-to-medium term due to stable profitability and healthy accretion to reserves.

**Stable demand from staple food grains market; strong distribution network in West Bengal** – GCPL caters to an extremely fragmented market, however, demand remains stable as all its products are essential constituents of consumers' daily diet. It has built a strong marketing and distribution network in West Bengal, facilitating the company's sales. As the company sells through direct clearing & forwarding (C&F) agents, distributors, wholesalers and online sales channels, its customer concentration risk remains on the lower side. It has a strong distribution network of 25 C&F agents and more than 900 distributors.

### Credit challenges

**Intensely competitive business segment limits margin expansion** – GCPL enjoys a price premium over the unorganised players in the B2C sales for its superior quality and established brand position. However, the company operates in an intensely competitive and fragmented industry and faces stiff competition from large, organised players, which limits the pricing flexibility to some extent. Nevertheless, the OPM of the company remained in the range of 8-9% over the past few years and ICRA does not expect any material deterioration in the same in the medium term. The company's net profit margin (NPM), which has remained in the range of 3.6-4.4% over the past years, is projected to remain at similar levels going forward. The overall profits and cash accruals from the business are likely to gradually increase, in line with its increasing scale of operations.

**Regional presence gives rise to geographical concentration risk** – GCPL has a strong regional presence with a healthy market share in West Bengal. The state accounted for more than 80% of the company's turnover in the past five years, reflecting high geographical concentration risk. However, the company continues to increase its presence in other eastern states where they have a strong hold.

**Exposed to agro-climatic risks and changes in Government regulations** – As GCPL operates in an agro-based industry, it remains exposed to agro-climatic risks such as raw material availability, quality and pricing. Moreover, any change in Government regulations pertaining to the industry can also have a bearing on the performance of all players in the industry, including GCPL.

### Liquidity position: Adequate

The company generated positive cash flow from operations over the past two years, mainly driven by sizeable cash accruals from business and relatively lower working capital intensity of operations. ICRA expects the cash flow from operations to remain positive, going forward, as well. The working capital utilisation of the company had remained in the range of 40-45% over the past couple of years, leaving adequate buffer to fund any additional working capital requirements due to increase in scale of operations. In view of adequate cash flow from operations, limited long-term debt repayment obligations, and undrawn working capital limits, ICRA expects the overall liquidity position of the company to remain adequate, going forward.

### Rating sensitivities

**Positive factors** – ICRA may upgrade GCPL’s ratings if the company demonstrates a sustained growth in its revenues and earnings.

**Negative factors** – ICRA may downgrade the ratings in case of a significant decline in the turnover and/or margins of the company. Any significant deterioration in the liquidity position may also trigger ratings downgrade. Specific credit metrics that could lead to ratings downgrade include an interest coverage of less than 7.0 times on a sustained basis.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company

### About the company

Ganesh Consumer Products Limited (GCPL, erstwhile Ganesh Grains Limited), promoted by the Kolkata-based Mimani family, manufactures and sells agro-based products like wheat flour (atta, sooji, maida, dalia), gram flour (besan, sattu) and instant mixes. The company started manufacturing and selling various spices in FY2024. At present, the company has seven manufacturing units, out of which four units are in Howrah, West Bengal and one each in Hyderabad, Varanasi, and Agra. The company markets its products under the brand, Ganesh, which has an established presence in West Bengal.

MOPE Investment Advisors Private Limited, the private equity arm of Motilal Oswal Financial Services Limited, acquired a 25.71% equity share in GCPL in October 2016.

### Key financial indicators (audited)

GCPL, Standalone	FY2023	FY2024
Operating income	610.8	759.1
PAT	27.1	27.0
OPBDIT/OI	9.2%	8.4%
PAT/OI	4.4%	3.6%
Total outside liabilities/Tangible net worth (times)	0.7	0.4
Total debt/OPBDIT (times)	1.9	0.8
Interest coverage (times)	8.4	9.7

Source: Ganesh Consumer Products Limited, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

### Status of non-cooperation with previous CRA

CRA	Status	Date of Release
CARE	CARE BB/ Stable/ A4; ISSUER NOT COOPERATING*, Ratings continue to remain under ISSUER NOT COOPERATING category	June 06, 2025

Any other information: None

### Rating history for past three years

Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Jul 1, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Working Capital Facilities <sup>#</sup>	Long Term	198.00	[ICRA]A+ (Stable)	Apr 30, 2024	[ICRA]A+ (Stable)	-	-	Jan 30, 2023	[ICRA]A+ (Stable)
Non-fund based – Working Capital Facilities	Long Term/ Short Term	5.00	[ICRA]A+ (Stable)/ [ICRA]A1	Apr 30, 2024	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	Jan 30, 2023	[ICRA]A+ (Stable)/ [ICRA]A1
Unallocated Limits	Long Term/ Short Term	10.00	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	-	-	-	-

<sup>#</sup> One way interchangeability of Rs. 50.00 crore from fund-based to non-fund based limits

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Working Capital Facilities	Simple
Long-term/ short-term non-fund-based – Working Capital Facilities	Very Simple
Unallocated Limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit/ WCDL 1 <sup>#</sup>	-	-	-	50.00	[ICRA]A+ (Stable)
NA	Cash Credit/ WCDL 2	-	-	-	40.00	[ICRA]A+ (Stable)
NA	Cash Credit/ WCDL 3	-	-	-	38.00	[ICRA]A+ (Stable)
NA	Cash Credit/ WCDL 4	-	-	-	30.00	[ICRA]A+ (Stable)
NA	Cash Credit/ WCDL 5	-	-	-	40.00	[ICRA]A+ (Stable)
NA	Bank Guarantee	-	-	-	5.00	[ICRA]A+ (Stable)/ [ICRA]A1
NA	Unallocated Limits	-	-	-	10.00	[ICRA]A+ (Stable)/ [ICRA]A1

Source: Ganesh Consumer Products Limited

<sup>#</sup> One way interchangeability from fund-based to non-fund based limits

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

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