

June 18, 2026

Vaibhav Edibles Private Limited: Ratings upgraded

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Long-term - Fund based - Term loan	3.89	1.38	[ICRA]BBB+ (Stable); upgraded from [ICRA]BBB (Stable)
Long-term - Fund based - Cash credit	55.00	80.00	[ICRA]BBB+ (Stable); upgraded from [ICRA]BBB (Stable)
Short-term – Non-fund based	12.00	-	-
Short-term – Non-fund based - Letter of credit^ (Interchangeable)	-	(10.00)	[ICRA]A2; upgraded from [ICRA]A3+
Short-term – Non-fund based - Bank guarantee	-	2.00	[ICRA]A2; upgraded from [ICRA]A3+
Long-term/short-term - Unallocated	21.11	8.62	[ICRA]BBB+(Stable)/ [ICRA]A2; upgraded from [ICRA]BBB (Stable)/ [ICRA]A3+
Total	92.00	92.00	

*Instrument details are provided in Annexure-II; ^ Sub Limit of WC Limit

Rationale

The ratings upgrade factors in the healthy improvement in the operating revenue (OI) and earnings of Vaibhav Edibles Private Limited (VEPL), driven by a strong volume growth amid favourable domestic demand. This is expected to sustain over the medium term, supported by robust demand in the northern region, particularly in Uttar Pradesh and Bihar, and increasing its local distribution network and entering new territories such as Jharkhand, Uttarakhand and Odisha. VEPL reported an OI of Rs. 2,681.3 crore in FY2026 (provisional), reflecting a YoY growth of 32.6%, after a strong revenue growth of 33.9% in FY2025. The growth was supported by steady increase in volumes, which expanded by 17% in FY2026, following a 19% increase in FY2025, and is expected to remain steady over the medium term. The company's established position in the edible oil segment, specifically rice bran oil, which is about 70% of the overall product mix, a diversified brand portfolio and a strong distribution network in its key markets, continue to underpin its business profile.

The ratings also derive comfort from VEPL's comfortable capital structure, with gearing at 0.4 times and TOL/TNW at 0.7 times, respectively, as on March 31, 2026. The capital structure is expected to remain stable in the near to medium term, given the absence of any major debt-raising plans. The company continues to benefit from promoter support, reflected in unsecured loans of Rs. 57.9 crore as on March 31, 2026, which provide additional liquidity. Further, the ratings factor in the favourable long-term outlook for the organised agro-processing industry, supported by changing consumer preferences, rising disposable incomes, and increasing penetration of organised retail. Notwithstanding this, the operating profit margins (OPM) remained largely steady on a YoY basis in FY2026, despite improvement in realisations and volumes, due to higher freight, packaging, and employee costs.

The ratings, however, remained constrained by VEPL's exposure to volatility in raw material prices, given the inherent cyclicity associated with agricultural commodities, and the intense competition in the edible oil industry, which limits pricing flexibility and results in modest margins due to limited value addition. The company is also exposed to agro-climatic risks, which can impact raw material availability and pricing, as well as regulatory risks associated with food products, which are essential commodities. Further, the company remains exposed to quality and reputation risks, which could adversely impact

its brand positioning and financial performance in case of any adverse developments. Any significant investments in non-core businesses could exert pressure on the company's liquidity profile and will remain a key monitorable.

The Stable outlook reflects ICRA's expectations that VEPL will continue to benefit from its established market position and strong regional presence and will leverage its enhanced capacities to sustain revenue growth while maintaining stable profitability and capital structure over the medium term.

Key rating drivers and their description

Credit strengths

Strong position with established brand name in the region – VEPL markets its edible oil products under multiple brands, including Jhoomer, Jugnu, Chahak, Do Dhani, Vaibhav, Shahnai, Primelite, Royalcook and Jiolite, covering rice bran oil, soyabean oil, sunflower oil, mustard oil and linseed oil, among others. The company has a strong foothold in Bihar and Uttar Pradesh, which together contribute 78% of its revenue in FY2026. It has also expanded into neighbouring states, with Madhya Pradesh contributing 8.8% in FY2026 compared to less than 2% in FY2025. The company has also entered new markets such as Jharkhand, which accounted for 5.1% of revenue in FY2026.

Healthy revenue growth; comfortable financial profile – VEPL registered a healthy YoY revenue growth of 32.6% in FY2026, driven by volume growth of 17% YoY and increase in realisation. Traditionally being a low-margin business, VEPL's OPM remains at 2.3% in FY2026, same as FY2025. VEPL's financial profile remained comfortable on account of its healthy capital structure, owing to its lower dependence on external debt, as reflected in low gearing of 0.4 times and TOL/TNW of 0.7 times as on March 31, 2026, same as previous fiscal. The debt coverage indicators also remain moderately healthy, with interest coverage of 9.1 times as on March 31, 2026, against 9.4 times as on March 31, 2025, and Total Debt/OPBDITA of 1.6 times as on March 31, 2026, against 2.0 times as on March 31, 2025.

Extensive experience of management and strong distribution network – VEPL's promoters have over six decades of experience in the edible oil industry and are actively involved in day-to-day operations, providing operational guidance as well as financial support, as required. The company has also expanded its broker network to around 250, catering to the wholesalers, manufacturers, direct retail and HORECA segments.

Credit challenges

Vulnerability of profitability to fluctuations in raw material prices and intense competition in the industry – India continues to depend on edible oil imports from countries such as Indonesia, Malaysia, Ukraine and Russia, exposing the industry to price volatility. Accordingly, VEPL's profitability remains susceptible to fluctuations in input prices and potential inventory losses. Rice bran oil constitutes about 70% of the company's capacity, with raw materials procured domestically. For the balance capacity, around 20% of crude oil requirements are met through imports under high-seas agreements, as required. Further, the Indian edible oil industry is characterised by high competition due to the presence of a large unorganised segment along with a few established organised players.

Exposed to agro-climatic and regulatory risks – The Government of India regulates import duties and agricultural cess, exposing the company's profitability to changes in regulatory policies as well as volatility in agro-commodity prices. In FY2024, profit margins were impacted by a sharp contraction in demand, following corrections in agricultural commodity prices. Subsequently, in FY2025 and FY2026, the company's realisations improved for its edible oil products, supported by healthy market demand.

Exposure to quality-related risks – The company operates in the food industry, making it susceptible to quality and reputation-related risks. Any adverse quality incident could materially impact its brand and business operations over the long term.

Liquidity position: Adequate

VEPL's liquidity position remains Adequate, supported by cushion in its working capital limits, as reflected in buffer of around Rs. 30 crore and average utilisation of around 74% over the last 12 months ending May 2026. The company has enhanced its working capital limits by Rs. 25 crore in February 2026, resulting in total sanctioned limits of Rs. 80 crore as of May 2026, to support its growing scale of operations. The liquidity is further supported by free cash and bank balances of Rs. 2.5 crore as on March 31, 2026, and continued promoter support, with additional infusion of Rs. 7.34 crore during FY2026, the total unsecured loans of Rs. 57.89 crore as on March 31, 2026, which is partly interest bearing at 9-12% p.a. The company's cash flow profile remains adequate to meet its modest capex requirements of Rs. 5–7 crore annually towards maintenance and plant upgrades, along with minimal repayment obligations. However, the timely availability and further enhancement of working capital limits will remain critical to support the company's anticipated growth over the medium term.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company demonstrates a sustained growth in its revenue and earnings leading to improvement in the liquidity profile while maintaining the healthy debt protection metrics.

Negative factors – Pressure on rating could arise if there is a significant decline in revenue and earnings leading to a sustained deterioration in the credit metrics. Any further investment in group companies which adversely impacts the liquidity profile, or coverage metrics would be a credit negative. Specific credit metric that could lead to a downgrade of VEPL's rating include Interest coverage less than 3.5 time on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Edible Oils
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of Vaibhav Edibles Private Limited and its associate, SNG Solvents Private Limited. Vaibhav Edibles Private Limited has extended a corporate guarantee to the debt of SNG Solvents Private Limited.

About the company

Vaibhav Edibles Private Limited (VEPL), incorporated in 2003, is primarily involved in refining and trading business of edible oils. Mr. Mahesh Chandra Jain is the company's Managing Director and is also associated with the board of several prominent companies within the Group. The company processes crude oil into refined oil and sells it under its own brand (packaged) and loose oil as per customer requirement. The company also trades in crude oil. VEPL is headquartered in Kanpur, Uttar Pradesh and the business development team is spread across the state. VEPL has an oil refining plant in Rania, Kanpur (UP) with a capacity of 900 metric tonnes per day (MTPD).

SNG Solvents Pvt Ltd (45.48% holding of VEPL) is also engaged in the edible oil business. VEPL has given corporate guarantee (CG) of Rs. 4.75 crore to SNG Solvents for working capital cash credit limit. Its sister concern, A.V. Oil Chem Pvt Ltd, has provided CG to VEPL. The company has invested Rs. 37.1 crore in its Group company engaged in real estate business, PMV Infrastructure Private Limited.

Key financial indicators (audited)

Consolidated	FY2025	FY2026*
Operating income	2,022.4	2,681.4
PAT	25.9	35.0
OPBDIT/OI	2.3%	2.3%
PAT/OI	1.3%	1.3%
Total outside liabilities/Tangible net worth (times)	0.7	0.7
Total debt/OPBDIT (times)	2.0	1.6
Interest coverage (times)	9.4	9.1

Source: Company, ICRA Research; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation;

* Provisional Financial; Financial ratios are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances

Status of non-cooperation with previous CRA

Name of the CRA	Date of Press Release	Rating Action
India Ratings	Dec 19, 2025	IND B-/Negative (ISSUER NOT COOPERATING)/ IND A4(ISSUER NOT COOPERATING); Long Term ratings Downgraded; Short Term ratings reaffirmed and Maintained in non-cooperating category

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jun 18, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term Loan	Long term	1.38	[ICRA]BBB+ (Stable)	Jun 09, 2025	[ICRA]BBB (Stable)	Aug 23, 2024	[ICRA]BBB (Stable)	-	-
Cash Credit	Long term	80.00	[ICRA]BBB+ (Stable)	Jun 09, 2025	[ICRA]BBB (Stable)	Aug 23, 2024	[ICRA]BBB (Stable)	-	-
Non-Fund Based	Short Term	-	-	Jun 09, 2025	[ICRA]A3+	-	-	-	-
Letter of Credit (Interchangeable)	Short Term	(10.00)	[ICRA]A2	-	-	-	-	-	-
Bank Guarantee	Short Term	2.00	[ICRA]A2	-	-	-	-	-	-
Unallocated	Long Term/ Short Term	8.62	[ICRA]BBB+ (Stable)/ [ICRA]A2	Jun 09, 2025	[ICRA]BBB (Stable)/ [ICRA]A3+	Aug 23, 2024	[ICRA]BBB (Stable)/ [ICRA]A3+	-	-
Issuer Ratings	Long term	-	-	Jun 09, 2025	[ICRA]BBB (Stable); reaffirmed and withdrawn	Aug 23, 2024	[ICRA]BBB (Stable)	-	-
				-	-	Aug 13, 2024	[ICRA]BBB (Stable)	-	-
				-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (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) (*)	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 branches of Indian Banks/other similar borrowings	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	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

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

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) 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 can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity indicator
Long Term - Fund Based - Term Loan	Simple
Long Term - Fund Based - Cash Credit	Simple
Short Term - Non Fund Based - Letter of Credit (Interchangeable)	Simple
Short Term - Non Fund Based - Bank Guarantee	Simple
Long Term/ Short Term - Unallocated	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term Loan	30-Dec-2021	8-9%	Dec 2026	1.38	[ICRA]BBB+ (Stable)
NA	Cash Credit	NA	NA	NA	80.00	[ICRA]BBB+ (Stable)
NA	Letter of Credit (Interchangeable)	NA	NA	NA	(10.00)	[ICRA]A2
NA	Bank Guarantee	NA	NA	NA	2.00	[ICRA]A2
NA	Unallocated	NA	NA	NA	8.62	[ICRA]BBB+ (Stable)/[ICRA]A2

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company Name	VEPL Ownership	Consolidation Approach
SNG Solvents Private Limited	45.48%	Equity Method

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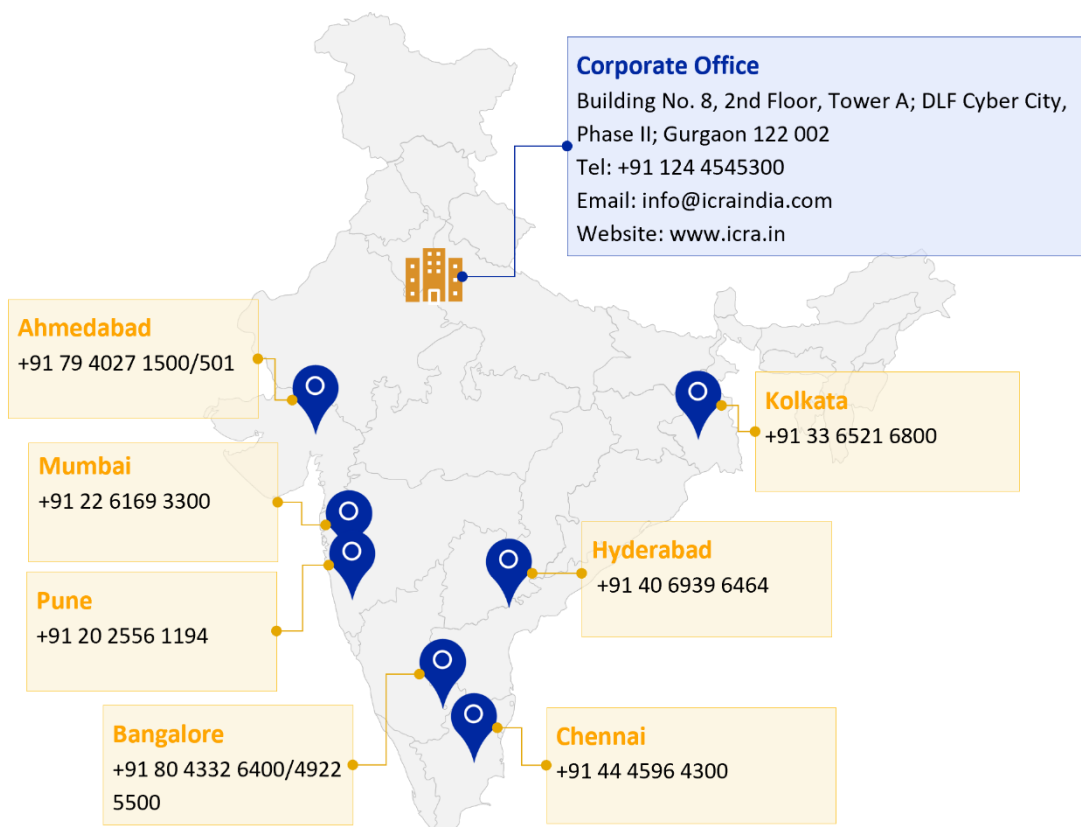


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