



Press Release
ABHA AGRO EXPORTS PRIVATE LIMITED
September 03, 2025
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	70.00	ACUITE BB+ Stable Downgraded	-
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to “**ACUITE BB+**”(read as **ACUITE Double B Plus**) from “**ACUITE BBB-**”(read as **ACUITE triple B minus**) on Rs.70 crore of Abha Agro Exports Private Limited. The outlook is revised to "Stable" from "Negative".

Rationale for Rating :

Abha Agro Exports Private Limited (AAEPL), a West Bengal-based agricultural trading firm with over two decades of promoter experience, demonstrated healthy revenue growth in FY2025 (prov.) with turnover at Rs.889.80 crore vis-à-vis Rs.393.10 crore in FY2024, driven by robust domestic maize sales. However, profitability weakened due to policy-driven pricing pressure and elevated logistics costs, resulting in operating and net losses. The company's financial risk profile deteriorated, with tangible net worth declining to Rs.51.10 crore in FY 2025(prov) from Rs. 59.69 Cr. in FY 24 and declining gearing albeit comfortable at below unity, and debt protection metrics turning negative. Liquidity remained stretched with negative net cash accruals of Rs.(8.47) crore, though debt obligations were met by timely collection from customers to support any interim cash flow mismatch. Working capital management improved, evidenced by reduced debtor days and stable inventory levels, while the company's revised procurement strategy and absence of major capex are expected to support liquidity and financial stability in the medium term. Acuite believes that AAEPL's experienced management, established customer and supplier relationships, and operational adjustments will help navigate current challenges.

About the Company

Abha Agro Exports Private Limited (AAEPL), which was founded in 2002, is involved in the trading of agricultural goods, specifically oil cake, pulses, and maize. Mr. Bajrang Lal Ladha, Mr. Ashok Kumar Ladha, Mrs. Abha Ladha, and Mrs. Suman Ladha are in charge of the business. With warehouses across Bihar, Madhya Pradesh, Odisha, and West Bengal, AAEPL, which is headquartered in West Bengal, stores agricultural products in large quantities for trading.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has taken standalone financial and business risk profile of AAEPL to arrive at this rating.

Key Rating Drivers

Strengths

Experienced management:

The promoters of AAEPL, Mr. Bajrang Lal Ladha, Mr. Ashok Kumar Ladha, Mrs. Abha Ladha and Mrs. Suman

Ladha possess sound knowledge regarding the procurement, sorting, processing & distribution of agricultural commodities with extensive experience of around two decades in this industry. Acuité believes that the

experienced management and the long-track record of over two decades will continue to support the company in maintaining the long-standing relations with its customers and suppliers.

Robust growth in topline:

AAEPL has delivered a robust topline performance in FY2025 (prov), with revenue from operations surging to Rs.889.80 crore from Rs.393.10 crore in FY2024 marking a 126.36% year-on-year growth. This expansion was primarily driven by a sharp rise in domestic maize sales, which jumped to Rs.852.09 crore in FY2025 (prov) from Rs.344.55 crore in FY2024. The company's revenue mix has undergone a dramatic shift, with domestic sales now contributing 98% of total turnover, up from 85% in FY2024 and just 25% in FY2023. Export sales to Bangladesh, once a dominant stream at Rs.366.86 crore (75% of total sales) in FY2023, have plummeted to Rs.17.69 crore (2%) in FY2025 due to geopolitical disruptions. Quarterly trends reinforce this momentum, with Q1FY2026 already clocking Rs.303.88 crore, suggesting continued strength in domestic demand. Given this trajectory, Acuite expects AAEPL's topline to remain stable at FY2025 levels in the medium term.

Working Capital Management

The company's working capital management showed improvement in FY2025 (prov.), with Gross Current Assets (GCA) reducing to 25 days from 36 days in FY2024, primarily driven by enhanced collection efficiency as debtor days declined to 6 days from 15 days. Inventory holding increased slightly to 7 days in FY2025 (prov.) from 5 days in the previous year. However, other current assets rose significantly to Rs.29.30 crore in FY2025 (prov.) from Rs.7.78 crore in FY2024, mainly due to railway wagon registration charges and advance freight payments to railway for transportation. Accounts payable days stood at nil in FY2025 (prov.) compared to 1 day in FY2024, reflecting the immediate payment terms required by the supplier as their supplies are from mandi's. Acuite believes that the company's working capital cycle is efficiently managed and is expected to remain stable over the medium term.

Weaknesses

Profitability susceptible to intense competition in domestic market and change in Govt. policy:

Despite a robust topline growth from Rs.393.10 crore in FY2024 to Rs.889.80 crore in FY2025 (prov), AAEPL has reported operating and net losses, with operating profit margin declining from 0.62% in FY2024 to (0.82%) in FY2025 (prov), and net profit margin slipping from 0.15% to (0.96%) over the same period. This downturn is primarily driven by a shift in government policy that now supplies rice to ethanol manufacturers at a subsidized rate, rendering AAEPL's higher-cost maize uncompetitive. Additionally, the company faced a significant rise in transportation costs in FY2025 (prov), which it could not pass on to customers, further eroding profitability. The impact of lower selling prices, unabsorbed logistics expenses, led to an EBITDA loss and overall net loss. The company's revised procurement strategy to source maize on a need basis is expected to improve working capital efficiency and support liquidity in the medium term, but sustained losses and margin pressure currently constrain its creditworthiness.

Average Financial Risk Profile:

The company's tangible net worth declined to Rs.51.10 crore in FY2025 (prov.) from Rs.59.69 crore in FY2024, primarily due to losses incurred during the year. Consequently, gearing increased to 0.47 times as on March 31, 2025 (prov.) from 0.09 times in the previous year, driven by higher short-term borrowings and reduced net worth. The Total Outside Liabilities to Tangible Net Worth (TOL/TNW) ratio also rose to 0.47 times in FY2025 (prov.) from 0.11 times in FY2024. Debt protection metrics weakened significantly, with Interest Coverage Ratio (ICR) and Debt Service Coverage Ratio (DSCR) turning negative at (3.24) times and (2.11) times respectively in FY2025 (prov.), compared to 1.48 times and 1.08 times in FY2024. Net Cash Accruals to Total Debt (NCA/TD) also stood negative at (0.35) times in FY2025 (prov.). Despite these setbacks, Acuite believes that AAEPL has continued to meet its debt obligations, by timely collection from customers to support any interim cash flow mismatch, and expects the company's revised maize procurement strategy to positively impact its financial risk profile over the medium term.

Rating Sensitivities

1. Movement in topline and profitability
2. Working capital management

Liquidity Position

Stretched

The company's liquidity position in FY2025 (prov.) is marked by negative net cash accruals of Rs.(8.47) crore against long-term debt obligations of Rs.1.07 crore, which management has been able to meet by timely collection from customers to support any interim cash flow mismatch. The current ratio declined to 2.97 times in FY2025 (prov.) from 16.90 times in FY2024, primarily due to increased utilization of short-term borrowings. Working

capital efficiency improved, with Gross Current Assets (GCA) reducing to 25 days in FY2025 (prov.) from 36 days in FY2024. Additionally, unsecured loans of Rs.2.25 crore infused by promoters/directors remained in the business. average g bank limit utilisation stood at 66% for 6 months ending June'25 which indicates moderate reliance on working capital loan. Acuité believes that the company's liquidity is expected to improve over the medium term, supported by its revised procurement strategy, absence of major capex plans, and continued efficiency in working capital management.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	889.80	393.10
PAT	Rs. Cr.	(8.58)	0.58
PAT Margin	(%)	(0.96)	0.15
Total Debt/Tangible Net Worth	Times	0.47	0.09
PBDIT/Interest	Times	(3.24)	1.48

Status of non-cooperation with previous CRA (if applicable)

Not Applicable.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Mar 2025	Cash Credit	Long Term	23.00	ACUITE BBB- Negative (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB- Negative (Assigned)
	Proposed Long Term Bank Facility	Long Term	40.00	ACUITE BBB- Negative (Assigned)
29 Jan 2025	Cash Credit	Long Term	23.00	ACUITE BBB- Negative (Reaffirmed)
17 Dec 2024	Cash Credit	Long Term	23.00	ACUITE BBB- Stable (Reaffirmed)
24 Jan 2024	Cash Credit	Long Term	23.00	ACUITE BBB- Stable (Reaffirmed)
16 Nov 2022	Cash Credit	Long Term	18.00	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BB+ Stable Downgraded Negative to Stable (from ACUITE BBB-)
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BB+ Stable Downgraded Negative to Stable (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	28.10	Simple	ACUITE BB+ Stable Downgraded Negative to Stable (from ACUITE BBB-)
Bank of India	Not avl. / Not appl.	Working Capital Term Loan	11 Nov 2021	Not avl. / Not appl.	07 Oct 2027	1.90	Simple	ACUITE BB+ Stable Downgraded Negative to Stable (from ACUITE BBB-)

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Shreya Banerjee Analyst-Analytical Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.