



## Press Release

### Jalaram Agriexports Limited

August 04, 2025

#### Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank facilities- Fund Based	3.82 (reduced from 7.22)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	Reaffirmed	Simple
Short Term Bank facilities- Fund Based	86.40 (enhanced from 60.00)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Reaffirmed	Simple
Short Term Bank facilities- Non-Fund based	3.00 (enhanced from 2.10)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Reaffirmed	Simple
<b>Total</b>	<b>93.22</b>	<b>(Rupees Ninety-Three crore and Twenty-Two lakh only)</b>			

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale:

Infomerics Ratings has reaffirmed its ratings on the bank facilities of Jalaram Agriexports Limited (JAL). The ratings reaffirmation factors the extensive experience of the promoters, stable sales volumes despite pricing volatility and moderate capital structure and debt coverage indicators. However, these rating strengths are partially offset by thin profit margins, exposure to foreign exchange risk and intense competition in the industry.

“Stable” outlook reflects Infomerics belief that the company will continue to benefit from the sustained demand of agri products, long-track record of operations supported by well qualified management.



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### **Key Rating Sensitivities:**

#### **Upward Factors**

- Significant improvement in the scale of operations along with profitability leading to improved net cash accruals.
- Substantial improvement in capital structure leading to improvement in debt coverage metrics.

#### **Downward Factors**

- Significant decline in the scale of operations and/or moderation in profitability leading to decline in the debt protection metrics.
- Substantial debt funded capex leading to deterioration in the debt protection parameters.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Extensive experience of the promoters**

The promoter, Mr. Vinaykant bhai H. Kotecha, has been associated with the business since its inception, while Mr. Hiren Kumar V. Kotecha brings over 22 years of industry experience. Their extensive experience strengthens the company's business risk profile and has helped build strong customer relationships. Supported by a skilled professional team, the promoters have established ties with companies in the UAE, Saudi Arabia, Afghanistan, and Ukraine. Leveraging their industry knowledge, the company now aims to expand its network into developed markets such as the USA and the UK.



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### **Stable sales volumes despite pricing volatility**

During fiscal 2025, JAL has reported total operating income at Rs. 372.51 crore, a ~13% decline from Rs 426.65 crore reported in fiscal 2024 due to price volatility in cumin seeds. However, volume sold has remained steady over the previous year. Due to JAL's expertise in successfully navigating through the price volatility, earnings before interest, tax, depreciation and amortization (EBITDA) have improved from Rs. 7.26 crore in fiscal 2024 to Rs. 7.58 crore in fiscal 2025 along with improvement in operating margin from 1.70% in fiscal 2024 to 2.03% in fiscal 2025. Sustenance of operating margins going forward along with improvement in total operating income will remain a key monitorable.

### **Moderate Capital structure and debt coverage indicators**

The capital structure remained moderate, with overall gearing and long-term debt-to-equity ratios at 1.89x and 0.15x, respectively, as of March 31, 2025 — an improvement from 2.27x and 0.34x as on March 31, 2024. Debt coverage indicators showed a slight weakening, with the interest coverage ratio declining to 1.54x in FY25 from 1.79x in FY24, primarily due to a marginal increase in interest and finance costs. However, the long-term debt-to-GCA ratio improved significantly from 1.60x in FY24 to 0.90x in FY25, reflecting a reduction in long-term debt levels and improved cash accruals.

### **Key Rating Weaknesses**

#### **Thin profit margins**

Operating in the agriculture commodity sector, the company's business is inherently characterized by low profit margins. Despite a reduction in the scale of operations, operating profitability improved, with EBITDA margin rising to 2.03% in FY25 from 1.70% in FY24, primarily driven by a decline in raw material costs. However, overall profitability at the PBT and PAT levels moderated slightly to ₹5.22 crore and ₹3.86 crore in FY25, compared to ₹5.98 crore and ₹4.68 crore in FY24, largely due to increased interest expenses.



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### **Exposure to foreign exchange risk**

As exports constitute a significant percentage of the turnover, the company remains exposed to currency fluctuations to the extent of unhedged exposure. However, it has a hedging mechanism in place to reduce any impact of fluctuation in foreign exchange rates through forward cover limit. The total hedged exposure as of June'25 stood at ~₹54.52 crore whereas the unhedged exposure stood at around ₹ 0.81 crore as on June 31, 2025. That said, any significant unhedged exposure adversely impacting the bottom line will remain a key monitorable.

### **Exposure to intense competition in industry**

JAL, like other agro-commodity players, is exposed to changes in the legal and regulatory landscape, including tax revisions, import duty adjustments, and restrictions on certain agricultural imports. However, this risk is partially mitigated by the company's diversified commodity portfolio.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Default Recognition Policy](#)

[Complexity Level of Rated Instruments / Facilities](#)

### **Liquidity – Adequate**

The liquidity of the company is adequate marked by anticipated cash accruals of ₹ ~17 cr in FY'26 as against debt repayment of ₹0.50 Cr reflecting sufficient cushion over short-term debt repayments. The unencumbered cash and bank balance stands at ₹8.59 cr as on 31st Mar'25. The current ratio of the entity stood at 1.24x as on March 31, 2025. The working capital limit (₹86.40 crore) utilization for the past 12 months ending March 2025 stands at around ~82%.



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### **About the Company**

Rajkot (Gujarat) based, JAL is engaged in the processing and export of groundnut kernels, sesame seeds, and other agro products. The business began as a partnership firm—Jalaram Agri Exports—and was converted into a private limited company on August 20, 2014 and later converted into a public limited company on July 29, 2021. JAL is promoted by Mr. Vinaykant Kotecha and his family, who bring over two decades of experience in agro-commodity processing and trading."

### **Financials (Standalone)**

	<b>(₹. crore)</b>	
<b>For the year ended / As On*</b>	<b>31-03-2024 (Audited)</b>	<b>31-03-2025 (Provisional)</b>
Total Operating Income	426.65	372.51
EBITDA	7.26	7.58
PAT	4.68	3.86
Total Debt	66.59	63.33
Adjusted Tangible Net Worth	29.30	32.32
<b>Ratios</b>		
EBITDA Margin (%)	1.70	2.03
PAT Margin (%)	1.09	1.02
Overall Gearing Ratio(x)	2.27	1.96
Interest Coverage (x)	1.79	1.54

*\*As per Infomerics' standards*

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**



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### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years			
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24		Date(s) & Rating(s) assigned in 2022-23
					(May 10, 2024)	(August 11, 2023)	June 26 <sup>th</sup> , 2023	(April 19, 2022)
1.	Term Loans	Long Term	3.82	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable	IVR BB+/Negative; INC <sup>^</sup>	IVR BBB-/Stable
2.	Packing Credit	Short Term	72.00	IVR A3	IVR A3	IVR A3	IVR A4; INC <sup>^</sup>	IVR A3
3.	Letter of Credit	Short Term	3.00	IVR A3	IVR A3	-		-
4.	Standby line of credit	Short Term	14.40	IVR A3	-	-		-

<sup>^</sup>INC: Issuer not cooperating

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### About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	Sep 2027	1.52	IVR BBB-/ Stable
GECL 1.0	-	-	Dec 2026	2.30	IVR BBB-/ Stable
PCFC/PC Limit	-	-	-	72.00	IVR A3
Standby line of credit	-	-	-	14.4	IVR A3
Letter of Credit	-	-	-	3.00	IVR A3

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Jalaram-Agriexports-4aug25.pdf>

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

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).