Press Release

Uma Exports Limited

June 4, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	110.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable outlook)	IVR BBB/ Stable (IVR Triple B with Stable outlook)	Rating Downgraded	Simple
Short Term Bank Facilities	80.00	IVR A3 (IVR A Three)	IVR A3+ (IVR A Three Plus)	Rating Downgraded	Simple
Total	**190.00 (INR One Hundred and Ninety Crore only)**				

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 downgraded the ratings assigned to the bank facilities of Uma Exports Limited (UEL) due to moderation in debt protection metrics attributable to moderation in business performance marked by moderation in profitability in FY25 [FY refers to the period from April 1 to March 31] primarily due to dip in pluses prices impacting the average sales realisation. However, the ratings continue to derive strength from established track record of operation of the company under experienced management along with established relationship with a diversified customer and supplier base. The ratings also consider healthy scale of operation of the company with comfortable capital structure as on March 31, 2025. These rating strengths continue to remain constrained by thin profit margin owing to trading nature of business, exposure to intense competition, susceptible to changes in Government policies, global demand-supply situation and agro-climatic conditions, vulnerability of profitability to foreign exchange risk and working capital intensive nature of operation of the company.

The stable outlook reflects that the company will maintain a stable business performance and ensure adequate cash flow generation from operations to meet its debt servicing obligations.

Key Rating Sensitivities:

Upward Factors

- Growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis
- Improvement in the debt protection metrics of the company

Downward Factors

- Decline in operating income or moderation in profitability impacting the cash accrual
- Moderation in the debt protection metrics on a sustained basis
- Any unplanned debt funded capex leading to moderation in the capital structure with moderation in overall gearing ratio to more than 2x

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record of operation under experienced management**
  UEL was incorporated in 1987, hence it has a satisfactory track record of more than three decades. The company is owned by Kolkata based one Mr. Rakhesh Khemka and his family members, who have an extensive experience of around three decades in various agro-based commodities trading, both in domestic as well as in international markets. Mr. Khemka is supported by other directors and team of experienced professionals.
- **Established relationship with a diversified customer and supplier base**
  UEL's revenue stream is diversified, given its presence in both domestic and export markets, which reduces the geographical concentration. Further, the company has a diversified and established customer base with most of its clients being established players in the business of trading of agricultural commodities.
- **Comfortable capital structure**
  The company has a healthy net worth (ATNW) base of Rs.170.89 crore as on March 31, 2025 (Rs. 170.20 crore as on Mar 31, 2024). The overall gearing ratio though moderated from 0.71x as on Marh 31, 2024, remained satisfactory at 1.22x as on March 31, 2025. Moreover, the total indebtedness of the company as indicated by TOL/ATNW, though moderated, continue to remain comfortable at 1.49x as on March 31, 2025 as against 0.99x as on March 31, 2024.

Key Rating Weaknesses

- **Moderation in business performance marked by moderation in profitability leading to moderation in debt protection metrics**

On a y-o-y basis, the total operating income (TOI) of the company increased ~20% to Rs. 1668.38 crore in FY25. However, despite increase in TOI, the operating profit and PAT of the company have declined on account of decline in sales realisation due to decline in price of pulses. Hence, the company had to sell its inventory at lower prices. This apart, during the last quarter, due to supply chain disruption, freight and handling charges had also increased sharply. The operating profit moderated from Rs.14.18 crore in FY24 to Rs. 6.17 crore in FY25 and PAT has moderated from Rs.6.07 crore in FY24 to Rs.0.72 crore in FY25. The profit margins continue to remain thin with moderation in EBITDA margin & PAT margin to 0.37% and 0.04% respectively in FY25. With decrease in operating profit and increase in finance charges (attributable to elevated debt levels), debt protection metrics of the company as indicated by interest coverage ratio moderated from 1.70x in FY24 to 0.52x in FY25. Total debt to EBITDA and Total debt to NCA also moderated from 8.55x and 17.62 years respectively as on March 31, 2024 to 33.73x and 169.57 years respectively as on March 31, 2025.

- **Exposure to intense competition**
  The company faces intense competition from organised and unorganised players, given the low entry barriers in the business, limiting its pricing flexibility and bargaining power. The presence of numerous unorganised players in the agro-trading industry makes UEL's sales vulnerable to volatility in the prices of commodities.
- **Susceptible to changes in Government policies, global demand-supply situation and agro-climatic conditions**
  The import and export of agricultural commodities are susceptible to Government regulations. Any adverse change in import/export duties on agricultural commodities or changes in the minimum support prices may affect the product's competitiveness. As it is involved in agro- 4 commodity trading, the company also remains exposed to agro-climatic risks, changing crop patterns and the associated cyclicality in the business.
- **Vulnerability of profitability to foreign exchange risk**
  UEL is a trading player and relies on imports and exports of agro commodities. As a result, the company is exposed to foreign exchange risks. Nevertheless, the company hedges most of its foreign exchange exposure using plain-vanilla forwards, mitigating the risk to an extent.
- **Working capital intensive nature of operation**

The business model of the company requires that the company to maintain a certain level of inventory of agricultural produce and commodities, to meet the present and future orders. Therefore, inventory management is crucial for the company.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Trading Companies.

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

The liquidity position of the company appears adequate marked by its expected satisfactory gross cash accruals vis-à-vis debt repayment obligations in the near term. The company has adequate gearing headroom marked by its comfortable capital structure with overall gearing ratio at 1.22x as on March 31, 2025. Further, the current ratio of the company also stood satisfactory at 1.48x as on March 31, 2025.

About the Company

Uma Exports Limited (UEL) was established as a private limited company in 1987 by Mr Mukesh Khemka and was reconstituted as public limited company in 2010. Initially, UEL was engaged in the trading of building materials i.e. marble, granite, marble chips, etc. Later UEL started dealing in agricultural produce and commodities. The company trades in sugar; food grains such as rice, wheat, corn, sorghum and tea; and pulses and agricultural feed such as soybean meal and rice bran de-oiled cake. It exports to various countries like, Bangladesh, Sri Lanka, Malaysia, Vietnam, Pakistan and other countries in South-east Asia and along the Persian Gulf. The company imports lentils, fava beans, black urad dal and tur dal from Canada, Australia and Myanmar to sell in the domestic market. The company is a two Star Export House recognized by Directorate General of Foreign Trade and also has certificate of registration as an Exporter from the Spices Board of India. UEL has four subsidiaries which are also engaged in trading of agro products.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	1386.10	1668.38
EBITDA	14.18	6.17
PAT	6.07	0.72
Total Debt	121.17	208.21
Tangible Net Worth	170.20	170.89
EBITDA Margin (%)	1.02	0.37
PAT Margin (%)	0.44	0.04
Overall Gearing Ratio (x)	0.71	1.22
Interest Coverage (x)	1.70	0.52

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (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 in 2022-23
					Dec 10, 2024	-	-
1.	Cash Credit	LT	110.00	IVR BBB-/ Stable	IVR BBB/ Stable	-	-
2.	EPC	ST	40.00	IVR A3	IVR A3+	-	-
3.	PSC	ST	40.00	IVR A3	IVR A3+	-	-

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [formerly Infomerics Valuation and Rating Private Limited] 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).

Press Release

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.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	110.00	IVR BBB-/ Stable
EPC	-	-	-	-	40.00	IVR A3
PSC	-	-	-	-	40.00	IVR A3

Annexure 2: Facility wise lender details:
https://www.infomerics.com/admin/prfiles/Len-Uma-Exports-4june25.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/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.