



Press Release

Shaheen Agro Fresh Private Limited (SAFPL)

April 23rd, 2025

Ratings:

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	24.72 (Reduced from 38.50)	IVR BB/ Stable (IVR Double B with Stable Outlook)	IVR B+/ Negative; ISSUER NOT COOPERATING (IVR B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Rating Upgraded, Outlook revised and removed from Issuer Not Cooperating category	Simple
Total	Rs.24.72 crore (Rupees Twenty-four crore and seventy-two lakhs only)				

**Issuer did not cooperate; based on best available information*

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 Rational

Infomerics had moved the ratings of SAFPL into Issuer Not Cooperating category vide it press release dated March 13th, 2025, due to non-submission of information required for detailed review of the company. However, the company started cooperating and submitted required information. Consequently, Infomerics has removed the rating from 'ISSUER NOT COOPERATING' category and downgraded the ratings.

The upgrade in the ratings of the bank facilities of SAFPL reflects sustained growth in revenue with healthy profitability margins in FY24 and expects to maintain in FY25. Further the rating continues to derive comfort from the experienced Management and long track record of operations. However, these rating strengths are partially offset by, small scale of operations, moderate capital structure and elongated working capital cycle.

The Stable Outlook reflects expected improvement in revenue and profitability from FY25 onwards with credit profile likely to commensurate with the current rating levels over FY25-FY27.



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Key Rating Sensitivities:

Upward Factors

- Sustained growth in total operating income and further improvement in profitability margins thereby leading to overall improvement in cash accruals on a sustained basis.
- Improvement in working capital cycle while maintaining the current credit profile.

Downward Factors

- Sustained decline in revenue and profitability and/or deterioration in working capital cycle and/or any unplanned debt fund led capex leading to deterioration in credit profile and the liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced Management and long track record of operation

SAFPL has experienced management led by Mr. Asif Jahangir Reshi and Mr. Majid Aslam Wafai both has more than decades of experience in the same line business. Extensive industry experience of the promoters resulted in established relationship with customers and suppliers.

Healthy profitability in FY24 and expected to maintain in the future

SAFPL's EBITDA margins have remained stable at 24.16% in FY24 (period refers from April 01st, 2023 to March 31st, 2024) (FY23: 25.57%) due to better control over a cost. Further SAFPL has maintained its EBITDA margin at 24% in 9MFY25. Net profit margins have improved to 4.73% in FY24 (FY23: 3.41%) due to stable gross profitability and interest expenses.

Key Rating Weaknesses

Small Scale of operations

Despite being in the business for more than a decade, the scale of operations remained small with a total operating income of Rs. 40.83 crore in FY24 (FY23: Rs.37.99 crore), this growth was driven by increase in volume sold and stable demand for cold storage facility. Further SAFPL has achieved a revenue of Rs.31.18 crore in 9MFY25. However, size remains small which restricts the financial flexibility of the entity in times of stress and deprives it from benefits of economies of scale. The apple trading operations witnessed a steady improvement driven by higher focus of the management and contributes around ~73% of total revenue in FY24.

Moderate capital structure



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SAFPL's capital structure remains moderate, with gearing stood at 1.39x in FY24 (FY23: 1.78x) this improvement was due to infusion of capital during FY24 with reduction in overall debt. Infomerics expects capital structure to improve from FY25 onwards with periodic debt repayments, absence of debt led capex and accretion of profits. TOL/TNW also improved and stood at 1.22x in FY24 (FY23: 1.50x). Debt protection metrics marked by ISCR and Total debt / NCA stood at 3.57x and 6.32 years in FY24 (FY23: 3.02x and 7.59 years) respectively, due to stable profitability.

Elongated working capital cycle

SAFPL 's working capital remains moderate with the net operating cycle of 306 days at the end of FY24 increased from 288 days in FY23 this is mainly on account of high inventory days. Inventory days remain high due to seasonal nature of business as SAFPL needs to maintain inventory for the demand throughout the year and season generally ends during April. Creditors days remains low as the company needs to pay to the supplier on cash basis being farmers.

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 profile of SAFPL is adequate with expected to generate gross cash accruals in the range of Rs. ~Rs.6 crore to Rs. ~7 crore as against the repayment obligation over FY25 and FY27 of Rs.2 to Rs.5 crore. The current ratio stood at 3.13x as on March 31st, 2024 (FY23: 2.31x); quick ratio remains adequate at 2.34x (FY23: 1.80x). The average fund-based bank limit utilization in the last 12 months ended December 31st, 2024, stood at 99%, the liquidity position of the company stood adequate.

About the Company



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SAFPL was founded in 2013 by Mr. Asif Jahangir Reshi and Mr. Majid Aslam Wafai. The SAFPL is involved in apple trading and offers cold storage services for apples and other perishable items. Their controlled atmosphere cold storage facility, situated in Jammu & Kashmir, has a total capacity of 12,500 MT per annum, divided into two units of 5,000 MT and 7,500 MT. Additionally, the SAFPL generates revenue by providing job work services like Sorting, Grading, and Packing to its customers. The day-to-day affairs of the SAFPL are looked after by Mr. Asif Jahangir Reshi and Mr. Majid Aslam Wafai.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	37.99	40.83
EBITDA	9.72	9.86
PAT	1.31	1.95
Total Debt	51.73	48.76
Tangible Net Worth	29.04	35.07
EBITDA Margin (%)	25.57	24.16
PAT Margin (%)	3.41	4.73
Overall Gearing Ratio (x)	1.78	1.39
Interest Coverage (x)	2.93	3.02

* 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 (Long Term/Short Term)	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 2022-23
					(March 13, 2025)	(January 12, 2024)	--
1.	Long term Bank Facilities	Long Term	24.72	IVR BB/ Stable	IVR B+/ Negative; ISSUER NOT COOPERATING*	IVR BB-/ Stable	--

*Issuer did not cooperate; based on best available information



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About Infomerics:

Infomerics Valuation and Rating Ltd [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.

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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
Long term fund based – Term Loan	-	-	-	September 2031	4.09	IVR BB/ Stable
Long term fund based – LAP Loan	-	-	-	October 2033	8.63	IVR BB/ Stable
Long term fund based – Cash Credit	-	-	-	Revolving	12.00	IVR BB/ Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-shaheenagro-apr25.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.