September 04, 2025

Al Gyas Exports Private Limited: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short-term – Fund-based – Foreign Bill Discounting	100.0	100.0	[ICRA]A4+; reaffirmed
Packing Credit^	(80.0)	(80.0)	[ICRA]A4+; reaffirmed
Foreign Bill Purchase^	(35.0)	(35.0)	[ICRA]A4+; reaffirmed
Bills Discounting^	(30.0)	(30.0)	[ICRA]A4+; reaffirmed
Bank Guarantee	5.0	5.0	[ICRA]A4+; reaffirmed
Non-Fund Based – Others	0.0	14.0	[ICRA]A4+; assigned
Total	**105.0**	**119.0**	

**Instrument details are provided in Annexure I; ^sublimit of Foreign Documentary Bills for Purchase/ Foreign Bill Discounting*

Rationale

The reaffirmation of the rating factors in Al Gyas Exports Private Limited's (AGEPL) gradual improvement in the operating margins and capital structure over the years. The company is primarily involved in the business of export of rice. The rating also derives comfort from the adequate level of debt coverage indicators, as reflected by an interest coverage of 4.7 times in FY2025 (provisional). Although the same is likely to moderate to an extent in the current fiscal, as the benefit of interest subvention will not be available, it would still remain at a comfortable level. ICRA expects the overall financial risk profile of the company to remain stable in the near-to-medium term. ICRA also takes comfort from the long experience of the promoters in this line of business and the company's long relationships with its existing customers, which provide stability to the revenue. The company's net working capital intensity has remained low over the years as a sizeable portion of its funding requirements are met through creditors and advances from customers. However, this pushed the company's TOL/TNW to remain at an elevated level of around 2.4 times over the last few years.

The rating, however, remains constrained by the thin profit margins owing to the low value addition, inherent in the trading nature of the business. The company's liquidity position remains stretched, given the modest internal accruals from the business, leading to almost full utilisation of working capital limits. Loans, advances and investments in Group companies or related parties and investment in non-core assets, which are not value accretive, also stretch the company's liquidity. The rating is further constrained by the high customer concentration risk as around 60% of its revenue is generated from a single customer in the last couple of years. Any incident leading to termination or non-renewal of the customer contract would significantly affect the company's financial risk profile. Nevertheless, AGEPL's long relationship with this customer provides comfort to a certain extent. Being an exporter, the company is exposed to foreign currency fluctuation risk although the same is mitigated through booking of forward contracts. Further, any adverse regulatory change and/or trade policy changes that impact the export of agricultural commodities may adversely impact the business risk profile of the company.

Key rating drivers and their description

Credit strengths

Established player in agri-exports business, led by experienced promoters – Established in 1995 by the Motorwala family, the company processes and exports agricultural commodities such as basmati and non-basmati rice, sugar, all-purpose flour (maida) and other products. However, export of rice continues to remain the revenue driver for the company. The directors and the key management personnel are well qualified with experiences of more than two decades in trading of agro products, which helped the company establish its position in the international market.

Adequate credit profile and coverage indicators – The company's operating margin registered a gradual improvement over the years and stood at 3.1% in FY2025 (provisional). AGEPL's capital structure also continues to remain conservative, and the debt coverage indicators remain adequate, as reflected by an interest coverage of 4.7 times in FY2025. Although the interest coverage is likely to moderate to an extent in the current fiscal as the benefit of interest subvention will not be available, it would still remain at a comfortable level. ICRA expects the overall financial risk profile of the company to remain stable in the near-to-medium term.

Credit challenges

Thin profit margins lead to stretched liquidity – Thin profit margins, inherent in the trading business, and limited headroom in the working capital lines have strained the company's liquidity position. However, ICRA notes that significant advances from customers and creditor funding have supported its working capital requirements, as reflected by net working capital intensity (NWC/OI) of 6-7% in the past few years.

High concentration of sales to a single customer and country – The company's customer concentration remains high as a single overseas customer from Yemen accounted for around 60% of its total revenues in FY2025. However, the risk is mitigated to an extent by AGEPL's long-term relationship with this customer, which is substantiated by its demonstrated track record of repeat orders and the receipt of payments in a timely manner.

Margins susceptible to stiff competition and forex risks; forex exposure mitigated by forward contracts – As exports constitute around 97% of the company's turnover over the years, the company remains exposed to currency fluctuations. However, it has an institutional hedging mechanism in place, which limits the foreign exchange risk to an extent. The company also faces stiff competition from domestic as well as overseas players from Thailand, Vietnam and China, which limits its pricing flexibility, thereby impacting the profit margins.

Operations vulnerable to regulatory norms in the rice industry as well as for export of traded products – Given the large dependence on exports to a single country, the company's operations remain exposed to regulatory risks associated with any adverse changes in trade policies between India and Yemen. Also, the company is exposed to agro-climatic risks in the key basmati and non-basmati rice paddy producing regions, which could impact rice production, availability, and quality. The rice industry is subject to intense regulations. As AGEPL is present in the rice sector, its quality and reputation-related risks are high. Any rapid change in regulations could have a large impact on the players operating in the industry.

Liquidity position: Stretched

The company's liquidity remains stretched owing to limited headroom in the working capital lines, with an average utilisation of 99% of the sanctioned working capital limits in FY2025. Loans, advances and investments in subsidiary/group companies or related parties and investment in non-core assets, aggregating to more than Rs. 125 crore as on March 31, 2025, also stretches the company's liquidity. However, limited long-term scheduled debt repayments in the near-to-medium term, absence of any planned capex, as well as advance payments from customers and timely collection of debtors, support the overall liquidity. The company's free cash and investment stood at around Rs. 14 crore as on March 31, 2025, providing it with additional liquidity. As on March 31, 2025, around Rs. 20 crore has been pledged (in the form of fixed deposits) by the company with its lender against working capital facilities of Rs. 100.0 crore sanctioned by the bank.

Rating sensitivities

Positive factors – ICRA could upgrade the company's rating if it can improve its liquidity profile and diversify its customer/geographical sales mix.

Negative factors – Pressure on the company's rating could arise if its revenues and profits decline significantly due to factors including loss of a strategically important customer, weakening its coverage indicators. Significant additional loans, advances, or investments in Group companies or related parties, which substantially impact the company's liquidity, could put pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Rice Mills](#)
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the company's standalone financial profile

About the company

Al Gyas Exports Private Limited was incorporated in 1995 as a partnership firm and was subsequently converted into a private limited company in 1999. The company primarily exports rice to the West Asian, Russian, and African markets. The product profile comprises basmati and non-basmati rice (accounting for nearly 100% of total sales in FY2025). The company sources its products from millers, either through brokers or agents in Andhra Pradesh, Gujarat, Haryana, Punjab, Madhya Pradesh, and Uttar Pradesh. Rice is procured and processed for exports. In FY2025, exports accounted for 97% of ALGEPL's total sales, while the remaining 3% was made up by domestic sales of broken rice.

The company has a registered office in Mumbai and two rice processing plants at Gandhi Dham, Gujarat, with a production capacity of 34,500 metric tonnes (MT) per month, as on March 31, 2025. The units operated at a utilisation level of 55% in FY2025.

Key financial indicators (audited)

Al Gyas Exports Private Limited	FY2024	FY2025*
Operating income	1706.0	1617.5
PAT	29.4	26.8
OPBDIT/OI	2.9%	3.1%
PAT/OI	1.7%	1.7%
Total outside liabilities/Tangible net worth (times)	2.4	2.5
Total debt/OPBDIT (times)	2.4	2.3
Interest coverage (times)	5.4	4.7

*Source: Company, ICRA Research; *Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	
				Sep 04, 2025	Jun 28, 2024	-	Mar 20, 2023	Jul 29, 2022
1	Foreign Documentary Bills for Purchase/ Foreign Bill Discounting	Short-term	100.0	[ICRA]A4+	[ICRA]A4+	-	[ICRA]A4+	[ICRA]A4+
2	Packing Credit ^	Short-term	(80.0)	[ICRA]A4+	[ICRA]A4+	-	[ICRA]A4+	[ICRA]A4+
3	Foreign Bill Purchase ^	Short-term	(35.0)	[ICRA]A4+	[ICRA]A4+	-	[ICRA]A4+	[ICRA]A4+
4	Bills Discounting ^	Short-term	(30.0)	[ICRA]A4+	[ICRA]A4+	-	[ICRA]A4+	[ICRA]A4+
5	Bank Guarantee	Short-term	5.0	[ICRA]A4+	[ICRA]A4+	-	[ICRA]A4+	[ICRA]A4+
6	Non Fund Based – Others	Short-term	14.0	[ICRA]A4+	-	-	-	-

Source: Company data, ^sublimit of Foreign Documentary Bills for Purchase/ Foreign Bill Discounting

Complexity level of the rated instruments

Instrument	Complexity Indicator
Foreign Documentary Bills for Purchase/ Foreign Bill Discounting	Very simple
Packing Credit	Very simple
Foreign Bill Purchase	Very simple
Bills Discounting	Very simple
Bank Guarantee	Very simple
Non-Fund Based – Others	Very simple

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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Foreign Documentary Bills for Purchase/ Foreign Bill Discounting	NA	10.0%	NA	100.0	[ICRA]A4+
NA	Packing Credit^	NA	NA	NA	(80.0)	[ICRA]A4+
NA	Foreign Bill Purchase^	NA	NA	NA	(35.0)	[ICRA]A4+
NA	Bills Discounting^	NA	NA	NA	(30.0)	[ICRA]A4+
NA	Bank Guarantee	NA	NA	NA	5.0	[ICRA]A4+
NA	Non-Fund Based – Others	NA	NA	NA	14.0	[ICRA]A4+

Source: Company Data, ^sublimit of Foreign Documentary Bills for Purchase/ Foreign Bill Discounting, Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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