

Prax Impex Private Limited

July 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	30.00	CARE B+; Stable / CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Prax Impex Private Limited (PIPL) factor in small scale of operations, low net worth, leveraged capital structure and geographic concentration risk. Ratings take cognisance of foreign exchange fluctuation risk, regulatory and business risk, and its presence in a highly competitive nature of industry.

However, ratings derive comfort from experienced and resourceful promoters, moderate order book, and comfortable profitability margins.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Any significant improvement in operating income, above ₹100 crore on a sustained basis.
- Efficient working capital management resulting in overall gearing below 4x on a sustained basis.

Negative factors

- Any delay in order execution resulting from non-achievement of financial closure required for working capital requirements with scale of operations below ₹15 crore in FY26.
- Any substantial increase in external debt leading (excluding proposed WC limits) to further deterioration in capital structure and liquidity position.

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook reflects that the entity is likely to benefit from its established relationship with the customers/suppliers and sustain the moderate financial risk profile with experience of the promoters in this line of business.

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations albeit comfortable profitability margins

The company's operations commenced in FY22. Due to initial years of operations, scale of the company is small, however, growing. TOI grew by 130% to ₹14.52 crore in FY25 over ₹6.31 in FY24 considering comfortable order book and improved demand from customers. As the scale remains small, it limits the company's financial flexibility in times of stress and deprives it of scale benefits. PIPL's operating profitability stood moderate as reflected by profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of 9.16% in FY25 (Prov.) (PY: 10.24%). Profit after tax (PAT) margin stood at 5.61% in FY25 (Prov.) (PY: 4.01%). Going forward, due to trading nature of business, PBILDT of the company is expected to remain ~5% and PAT in the range of ~2-3%.

Low net worth and leveraged capital structure of the company

PIPL's capital structure stood leveraged, as marked by an overall gearing of 7.07x as on March, 31, 2025 (21.65x as on March, 31, 2024) with high reliance on external debt and low net worth of ₹1.30 crore. The company's debt profile largely comprises external debt in the form of working capital and unsecured loans. The total outside liabilities to net worth stood high at 7.98x as on March, 31, 2025 (improved from 23.5x as on March, 31, 2024). For order execution, working capital limits are expected to increase by ₹30 crore, which would further increase the overall gearing of PIPL.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Exposed to customer and geographic concentration risk

PIPL has high customer concentration risk with majority of its sales to top two customers, exposing the company to various risks related to changes in procurement policy of its major customers. During FY25, the top 2 customers contributed ~94% to the total operating income of the company and all are situated in Uzbekistan. However, the established relationship with its customers leading to repeat business mitigates the customer concentration risk to some extent.

Foreign exchange fluctuation risk

PIPL's operations are primarily focused on the export markets with 100% exports sales in FY25. However, the raw material is majorly procured from domestic markets. With initial cash outlay for procurement in domestic currency and significant chunk of sales realisation in foreign currency, the company is exposed to the fluctuation in exchange rates, which the company does not hedge. Thus, PIPL is exposed to fluctuations in the value of rupee against foreign currency which may impact its cash accruals and profitability margins. The risk is more evident now that the rupee has registered considerable volatility and could leave the company carrying costly inventory in case of sudden appreciation. Moreover, change in government policies, either domestic or international is likely to affect the company's revenues. PIPL's earnings are also susceptible to strict regulatory policies relating to tariff barriers (custom duty), non-tariffs barriers (restriction on the quality of imports), anti-dumping duties, international freight rates and port charges. In FY24, the company has booked profit of ₹0.06 crore from foreign exchange fluctuations.

Presence in highly competitive industry with exposure to regulatory risk

The buffalo meat industry in India faces several risks, including socio-political that influence market demand and operations both domestically and internationally. Changes in trade policies, tariffs, and regulations in importing countries can impact market access for the company. The meat industry is fragmented, with intense competition from both organised and unorganised players, affecting market position and pricing. The company's heavy reliance on exports, accounting for over 90% of its income, exposes it to foreign exchange price volatility. Going forward, pollution-related shutdowns of abattoirs and cultural or religious sensitivities towards meat consumption in certain regions may lead to operational disruptions and market restrictions, and hence, remains a key monitorable.

Key strengths**Experienced and resourceful promoters**

PIPL is promoted by Rajnandini and Munchun Kumar, who serve as the Company's directors, with Abhishek Rai acting as the Managing Director. All directors play a crucial role in PIPL's day-to-day operations. The promoters are well-supported by professional management team across all levels. Promoters are resourceful and have shown their ability to support the business requirements through funds infusion in the form of unsecured loans having outstanding of ₹6.71 crore as on March 31, 2025 (as on March 31, 2024: ₹8.18 crore).

Moderate order book of the company

PIPL has a moderate order book position as reflected from its unexecuted order book of ₹150 crore for export of frozen buffalo meat and medicines to Uzbekistan as on June 15, 2025, providing revenue visibility over the medium term as these orders would be executed majorly in FY26 and some portion is expected to be executed in Q1 of FY27. PIPL's unexecuted order book is 10.33x of the FY25's total operating income (TOI). However, the order is executable in three years, and its timeline is getting completed by December 2026. In last two years, order of ~₹10 crore have been executed, and remaining order is expected to be executed by December 2026. Execution of the same depends on timely sanction of working capital limits from the bank, which are currently under progress with the bank.

Liquidity: Stretched

Liquidity position of the company remains stretched considering over 80% utilisation of fund-based working capital limits in last 12 months ending on March 31, 2025. Due to PIPL's trading nature of business, it does not have term debt repayment obligation in FY26. The company is envisaging to generate cash accruals of ~₹2-3 crore in FY26.

PIPL has also applied for additional working capital limits as existing limits would not be sufficient to fulfil the unexecuted orders. In case these proposed bank limits are not sanctioned, promoters would be required to infuse additional funds to support business operations.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Wholesale Trading](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

Prax Impex Pvt. Ltd., incorporated in 2021 by Rajnandini and Munchun Kumar, is a Delhi-based enterprise engaged in the export of veterinary pharmaceuticals and frozen buffalo meat. The company is committed to serving the specialised requirements of international markets, with emphasis on pharmaceutical trade and premium frozen meat products. Its primary client base is in Uzbekistan.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	6.64	6.31	14.52
PBILDT	0.37	0.65	1.33
PAT	0.23	0.25	0.81
Overall gearing (times)	19.28	21.65	7.07
Interest coverage (times)	8.65	2.21	5.45

A: Audited Prov.: Provisional; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ST-Working Capital Limits	-	-	-	-	30.00	CARE B+; Stable / CARE A4

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ST-Working Capital Limits	LT/ST	30.00	CARE B+; Stable / CARE A4	-	-	-	-

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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