

Bebo International

August 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	53.92 (Enhanced from 34.50)	CARE BB+; Positive	Reaffirmed; Outlook revised from Stable
Short Term Bank Facilities	12.00 (Enhanced from 10.00)	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation in ratings assigned to the bank facilities of Bebo International (BI) considers significant increase in TOI in FY25 [Provisional; FY refers to period starting from April to March]. However, the ratings remain constrained by thin profitability margins, moderate capital structure on account of working capital-intensive nature of operations, withdrawal of capital in FY25, constitution as a partnership firm and withdrawal of capital, commodity price risk, forex fluctuations and counterparty risk, susceptibility of profit margins to volatility in cost of raw materials induced by climatic and environmental factors, high exposure to government regulations and presence in highly competitive industry.

The weaknesses are partially offset by the experienced and resourceful promoters continued increase in scale of operation in Q1FY26 (Prov.), favourable location of operations, established relationship with customers and suppliers and presence across geographies, satisfactory operating cycle, adequate liquidity position, and stable industry outlook.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability of the firm to continue to improve its total operating income (TOI) and strengthen its operating profitability margin to above 4%, on a sustained basis.
- TOL/TNW improving to below 1.75x going forward

Negative factors

- Moderation in profitability margin marked by PBILDT margin of less than 2.25% on a sustained basis.
- TOL/TNW deteriorating beyond 2.50x going forward

Analytical approach: Standalone

Outlook: Positive

The 'positive' outlook on the ratings of BI reflects CARE's expectation to sustain its stable financial risk profile and no debt funded capex envisaged in near term, enhancement of working capital limits easing the liquidity position of the firm. The ability of firm to improve its profitability margin will remain key monitorable.

Detailed description of key rating drivers:

Key weaknesses

Thin profitability owing to nature of business: BI's operating profitability exhibited a stable trend with a profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin within the range of 3-3% in the past three years ended FY25. It stood modest at 3.15% during FY25, with a y-o-y improvement of 47 bps on account of moderation in overheads along with improvement in sales realization with better demand. Profit after Tax (PAT) margin stood modest on account of low interest and depreciation costs. Return on capital employed (ROCE) stood healthy at 36.49% during FY25 (PY: 22.3%) with a fixed asset turnover of 104.79x during FY25 (PY: 50.15x). Going forward, profitability is expected to remain stable owing to expected stable realisations and input costs.

Moderate capital structure: The entity's capital structure stood moderate, as marked by an overall gearing of 1.28x as on March 31, 2025 (1.37x as on March 31, 2024) with high reliance on external debt. Its debt profile largely comprises working capital debt. The total outside liabilities to net worth stood high at 2.35x as on March 31, 2025 (2.15x as on March 31, 2024). The marginal improvement in the capital structure was on account of profit accretion to reserves and repayment of term debt. Going forward, the capital structure is expected to improve marginally on account of profit accretion to reserves and repayment of term debt.

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

Constitution of the entity as a partnership firm: The firm was constituted as a partnership firm with inherent risks associated with limited financial flexibility, withdrawal of the partners' capital and the firm being dissolved upon the retirement/insolvency/passing of the partner due to the nature of constitution. There has been the withdrawal of capital by partners from the firm which has impacted the overall partners' capital deployed in the business. It is observed that, the partners are withdrawing the capital over last 3 years ended FY24. During FY25, partners withdrew capital amounting to Rs. 4.68 crore against Rs. 5.53 crores in FY24 and Rs. 10.50 crores in FY23.

Presence in a highly fragmented and competitive agro-commodity industry: BI operates in a competitive and highly fragmented agro-commodity industry which has a presence of large number of small and medium scale players. Further, the overall value addition in the trading industry is very low (grading, sorting, and packing activities) which translates into thin profitability. For its exports, BI also faces intense competition from large established players in the industry (which contributes majority of its turnover), who have global sourcing and customer base.

Exposed to vagaries of nature and raw material availability susceptible to change in government policies: The major raw material of the company is paddy, rice wheat and edible oils among other prices of which vary based on the monsoons and production in the crop seasons. As cost of the raw material accounts for 80% of the overall cost, variation in rates may impact operating profitability. Inability to pass on hike in raw material prices to customers may lead to volatility in the operating margin. The central Government of India (GOI), every year decides a minimum support price of paddy which limits the bargaining power of rice millers over the farmers thereby affecting revenues.

Low entry barrier along with stiff competition in trading business: The rice trading industry is highly competitive and fragmented in nature owing to low entry barriers due to minimal capital required and easy access to clients and suppliers resulting in presence of large number of unorganized players in the market. Also, the presence of big-sized players with established marketing & distribution network results into intense competition in the industry. The industry is cyclical with prices of the commodities driven by demand and supply conditions in the market with strong linkage to the global market. Due to high competition profitability margins tend to remain thin in the industry.

Client concentration risk: The firm trades in variety of rice products and further is involved in job work for some of the trading companies around Kakinada. The majority of sales of the firm comes from export to African countries. BI supplies the material to grain houses such as Louis Dreyfus Company Asia Pte Ltd, Adani's Wilmar Rice trading PTE Ltd, Olam International and Swiss Singapore Overseas Enterprises Pvt Ltd (an Aditya Birla Group enterprise) which in turn sell the rice in African markets thru their distribution channels and warehouses. The firm also sells good ~25.55% of volume of rice to domestic buyers for favourable rates. The firm have established relationship with clients which resulted in repeat orders from them. The revenue profile of the firm, however, is highly concentrated with top 5 clients from. The firm is highly focused on its top 4-5 clients for selling their products in African countries.

Commodity price risk, forex fluctuations, and counterparty risk inherent to export: In view of the volatility in the commodity prices owing to the variability in agricultural output as well as the global demand-supply scenario, BI books order backed sales. It procures commodity after booking confirmed order from buyer against 20%-30% cash advance. BI being a net exporter of rice, procures rice from the domestic market in INR and exports the same to various countries; the revenues are thus largely dollar (USD) and Euros denominated. BI books forward contracts on exports to hedge currency fluctuations. Its forex risk is mitigated as all transactions are fully hedged at origination. Nevertheless, the counterparty that BI sells its products to are well known and established entities in the destination countries.

Key strengths

Experienced management with long track record in the trading of Agri-commodities: BI was incorporated in December 2011. Mr. Ritesh Agarwal, a Chartered Accountant and having more than two decades of experience in rice field w.r.t to procurements, processing and supply destinations as the Managing Partner. He overlooks the day-to-day operations and is supported by his wife Ms. Kavitha Agarwal (B. Com graduate) who is the other Partner in the firm. The firm has established track record of operations in rice trading business for more than a decade. By virtue of being in the trading nature of operations for considerable period of about two decades, the partners of the firm have developed strong business relation with suppliers and buyers.

Significant increase in TOI during FY25 and continued growth in Q1FY26: The total operating income of BI improved significantly by ~145.29% in FY25 (Prov.) to Rs.1004.01 crore when compared to Rs.409.32crore in FY24. The same was on account of increase in sale of par boiled rice amid ban on export of broken raw non-basmati rice. Further, the firm has also added a new client which aided increased sales volume.

During FY24, a revenue share of Rs.22 crore was from operating activities from 1. Currency fluctuation profit of Rs.9.60 crore from currency exchange rate benefit, Rs. 9.94 crore from job work for some customers, Rs. 2.22 crore from RODTEP Export benefit and Rs. 0.11 crore from duty drawback receipts. The increase in other operating activities is commensurate to increase in sales volume.

BI reported revenue of about Rs. 245.44 crore in Q1FY26. The increase is majorly on the back of acquisition of two new clients by the firm Viz., Louis Dreyfus Company Asia Pte Ltd both located in Singapore where the offtake is more than existing customers. BI has also entered in Chinese market with exports of Rs.69.80 crore. With existing established client base and addition of new clients with higher sales volume, the realisations for FY26 are expected to grow further compared to the review period.

Satisfactory working capital cycle: Working capital management is efficient as reflected in gross current assets estimated at 55 days as on March 31, 2025 (61 days a year earlier) despite stocking-up of rice during the peak season of procurement, which begins in the third quarter of every fiscal. Usually, BI has inventory of 1-2 months which is lower compared to other large players in the industry because BI offers quick payment to suppliers and thus procure sizeable quantities during the start of the season. Accordingly, BI's creditor levels have always been low at 12-15 days. Hence despite increase in inventory levels, the working capital cycle remained comfortable. For its exports order, BI has payment terms of 15% to 20% cash advance at the time of order confirmation, and the balance before the physical delivery of goods.

Satisfactory debt coverage indicators: Debt coverage indicators stood satisfactory, as marked by comfortable PBILDT interest coverage of 11.83x in FY25 (7.3x in FY24) and moderate total debt to GCA (TD/GCA) of 2.15x in FY25(3.43x in FY24). Improvement during the year was on account of improvement in profitability and significant increase in debt levels. Going forward, debt coverage indicators are expected to remain satisfactory due to low reliance on debt despite expected stability in profits.

Favourable location of operations: The firm has locational advantage with the manufacturing facilities located at Kakinada, biggest port and one of the prominent paddy growing belts in Andhra Pradesh. BI deals with rice millers across Chhattisgarh, Andhra Pradesh, Telangana, Gujarat, Bihar etc. The firm has the advantage of location as they procure majority of the raw material requirement from paddy growing areas of Andhra Pradesh. Andhra Pradesh, situated in South India, forms a part of South coast of India and connected with Orissa and Chhattisgarh states.

Established relationship with customers and suppliers and presence across geographies: BI exports rice to African countries via Singapore based Olam Group. The managing partner Mr. Ritesh Agarwal has been in this business for more than 3 decades and had developed longstanding and established relations with its suppliers in the domestic market as well as customers across geographies.

Stable Industry Outlook: India's rice market is poised for steady growth, driven by strong domestic production, export recovery, and technological advancements. Valued at USD 47.1 billion in 2025 and expected to reach USD 60.1 billion by 2030 at a CAGR of 5.0%, India continues to solidify its position as a global rice leader—accounting for over 30% of worldwide rice exports and projected to surpass China as the largest producer. The removal of the non-basmati export ban and increased minimum support prices have boosted export opportunities, especially to West Africa and the Middle East. However, challenges such as port infrastructure limits and higher logistics costs for Punjab basmati exports remain.

Technological advances, including genome-edited rice varieties and remote sensing for water management, are improving yields, sustainability, and climate resilience. Recent floods have exposed infrastructure vulnerabilities, highlighting the need for diversified sourcing and stronger supply chains. Overall, India's rice industry outlook is positive, supported by policy, regional strengths, and innovation—though addressing logistical and climate challenges will be key to maintaining global competitiveness.

Liquidity: Adequate

Liquidity is adequate, marked by comfortable current ratio, low quick ratio, comfortable utilization of its working capital limits and healthy cash accruals against low debt repayments. While the current ratio was at 1.36x, its quick ratio remained low at 0.42x as on March 31, 2025. Its bank limits of Rs.53 crores were utilised at around fully along with additional 20% of standby credit facility allowed by bank to BI as a Gold Card Status holder. During last 12 months ended July 2025 the utilisation of BI remained around stood at 76.38% and fully utilised. It maintains low level of inventory. The average inventory days in last two fiscal year(s) remained high at 31 days. Gross current asset days were low at 58 days on an average basis. Operations are highly working capital intensive and net working capital as a percentage of capital employed was 92% as on March 31, 2025. While cash-flow from operations was negative at Rs.21 crore in last the FY, unencumbered cash and bank balance was around Rs.0.12 crore as on March 31, 2025. There have not been any instances of overdrawing.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products

Bebo International (BI) was established as a partnership concern by Mr. Padala Ramareddy and Mrs. Kavita Agarwal in the year 2011. Later in 2014, one more partner, Mr. Mutyala Krishnamurthy joined the firm. Currently, Mr. Ritesh Agarwal and Mrs. Kavita Agarwal are partners of BI with share of 25% and 75% respectively. BI started the business as a brokerage commission i.e., acting as an agent between the exporters and importers of rice. In June 2015 it started its own rice processing unit in Kakinada with a capacity of 100 Metric Tonnes per day (MTPD) which was enhanced to 300 MTPD in 2017. Currently the firm exports processed rice and carries 'job-work' of rice processing for other exporters in its plant. The manufacturing facility of the firm is "ISOQAR" Certified – approval necessary for Export to USA; and the facility is also approved by the PPQ Dept (Directorate of Plant Protection Quarantine, India) for export to China. The manufacturing facility is also ISO certified and National Plant Protection Organization (NPPO) approved. The firm is also a Two-Star Trading House certified by Directorate General of Foreign Trade (DGFT), India which helps in export of self-sealed containerised cargo.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	Q1FY26 (UA)
Total operating income	409.32	1,004.01	256.65
PBILDT	10.97	31.60	NA
PAT	9.48	28.52	NA
Overall gearing (times)	1.37	1.28	NA
Interest coverage (times)	7.30	11.83	NA

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

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-Cash Credit		-	-	-	3.00	CARE BB+; Positive
Fund-based - LT-EPC/PSC		-	-	-	50.00	CARE BB+; Positive
Fund-based - LT-Term Loan		-	-	January 2027	0.92	CARE BB+; Positive
Fund-based - ST-FBN / FBP		-	-	-	10.00	CARE A4+
Fund-based - ST-Forward Contract		-	-	-	2.00	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-Cash Credit	LT	-	-	-	-	-	1)Withdrawn (07-Jul-22) 2)CARE B-; Stable; ISSUER NOT COOPERATING* (07-Jul-22)
2	Fund-based - ST-EPC/PSC	ST	-	-	-	-	-	1)CARE A4; ISSUER NOT COOPERATING* (07-Jul-22) 2)Withdrawn (07-Jul-22)
3	Fund-based - LT-EPC/PSC	LT	50.00	CARE BB+; Positive	-	1)CARE BB+; Stable (06-Sep-24)	1)CARE BB+; Stable (25-Sep-23)	-
4	Fund-based - ST-Forward Contract	ST	2.00	CARE A4+	-	1)CARE A4+ (06-Sep-24)	1)CARE A4+ (25-Sep-23)	-
5	Fund-based - ST-FBN / FBP	ST	10.00	CARE A4+	-	1)CARE A4+ (06-Sep-24)	1)CARE A4+ (25-Sep-23)	-
6	Fund-based - LT-Term Loan	LT	0.92	CARE BB+; Positive	-	1)CARE BB+; Stable (06-Sep-24)	1)CARE BB+; Stable (25-Sep-23)	-
7	Fund-based - LT-Cash Credit	LT	3.00	CARE BB+; Positive	-	1)CARE BB+; Stable (06-Sep-24)	1)CARE BB+; Stable (25-Sep-23)	-

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

LT: Long term; ST: 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-Cash Credit	Simple
2	Fund-based - LT-EPC/PSC	Simple
3	Fund-based - LT-Term Loan	Simple
4	Fund-based - ST-FBN / FBP	Simple
5	Fund-based - ST-Forward Contract	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated: Not applicable

Note on complexity levels of rated instruments: CARE 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.

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