

Sharmagrow Exports Private Limited

September 08, 2025

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Short-term bank facilities	50.00	CARE A4	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of Sharmagrow Exports Private Limited (SEPL) is constrained by its moderation in financial performance in FY25 (prov.; refers to the period April 1 March 31), profitability susceptible to volatility in prices of traded goods & foreign exchange fluctuation risk, geographical and product concentration risk, weak debt protection metrics and regulatory risks for agro commodities.

The above constrained are partially offset by experienced promoters, satisfactory capital structure and adequate inventory management through warehousing facility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations with PBILDT margin above 2% and improvement in ROCE above 20% on a sustained basis.
- Improvement in debt coverage metrics marked by TDGCA going below 4x on a sustained basis.

Negative factors

- Deterioration in capital structure with overall gearing beyond 1.25x on sustained basis
- Any significant decline in scale of operations with PBILDT margin going below 1.25% on a sustained basis
- Any major withdrawal of capital by the proprietor from Sharma Exports (proprietorship firm).

Analytical approach: Combined

CARE has combined the business and financial risk profiles of Sharmagrow Exports Private Limited (SEPL) and Sharma Exports (SE) as these entities are engaged in similar line of operation and is under a common management having financial and operational linkages. Details of extent of consolidation is provided in **Annexure-6**.

Outlook: Not applicable

Detailed description of key rating drivers:

Key weaknesses

Moderation in financial performance in FY25

The total operating income (TOI) of the group witnessed y-o-y de-growth of 74.50% from Rs.874.42 crore in FY24 to Rs.222.99 crore in FY25 on account of subdued export demand scenario with Bangladesh. Also, due to the rise in ethanol production in India, there has been increased domestic maize consumption, leading to increase in its prices and subsequently export has declined. Furthermore, the export of De-oiled Rice Bran (DORB) has been banned by the government until September 2025. This has resulted in a negligible contribution of DORB in total sales. The group is currently focusing on export of DDGS to Bangladesh. In line with decline in revenue, PBILDT margin has also moderated from 1.74% in FY24 to 0.34% in FY25 along with decrease in realization. However, PAT margin has slightly improved from 1% in FY24 to 1.18% in FY25 mainly due to contribution from non-operating income arising out of interest income.

Profitability susceptible to volatility in prices of traded goods & foreign exchange fluctuation risk

The profitability is susceptible to sharp volatility in the prices of traded goods. Furthermore, the group's profitability is also exposed to foreign exchange fluctuation risks as around 80% of the total operating income are generated through exports. However, the group usually hedges its open forex positions through forward cover, which mitigates the risk to an extent.

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

Geographical and product concentration risk

The group is mainly into trading of agricultural products like maize, soyabean extraction and rapeseed.

The export sales of the group constitute roughly 80% of its total operating income. The group only exports its goods to Bangladesh. In the domestic market, the group mainly sells its product in Bihar and West Bengal regions thereby exposing the group to geographical concentration risk.

Regulatory risks for agro commodities

Being an exporter of various agro commodities, the group is subject to regulatory risks as the Indian government monitors the pace of agro exports and seeks to implement measures to ration exportable supplies to conserve supplies for the domestic sector in case of lower production.

Weak debt protection metrics

The debt protection metrics have moderated marked by moderation in interest coverage ratio from 2.61x in FY24 to 0.46x in FY25, due to decline in operating profit on absolute level. TD/GCA have also moderated from 4.62x as on March 31, 2024, to 14.76x as on March 31, 2025.

Key strengths

Experienced promoters

Bikash Sharma, the promoter of SEPL, is engaged into trading of agro commodities since 2006. The day-to-day affairs of the group is looked after by him along with support of experienced professionals.

Satisfactory capital structure

Capital structure of the group remained satisfactory marked by overall gearing of 0.61x as on March 31, 2025, as against 0.64x as on March 31, 2024. The slight improvement in capital structure of the group is on account of accretion of profit to reserve.

Adequate inventory management through warehousing facility

The group has a well-established logistical network for procuring and exporting various agro commodities from various parts of the country. The group's inventory management takes place through its seven warehouses located in Siliguri and Malda wherein one is owned and other six are rented. This helps the group to manage the flow of inventory efficiently and reduce in-transit time.

Liquidity: Stretched

Liquidity of the group is stretched marked by low cash accruals of Rs.2.72 crore in FY25 vis-à-vis debt repayment obligation of Rs.0.10 crore. The group has debt repayment obligation of Rs.0.11 crore in FY26 against which it is expected to generate sufficient cash accruals. Also, the average utilisation of its working capital limit has been moderate at around 50% during the past 12 months ended July 2025, as confirmed by the lender.

Applicable criteria

[Definition of Default](#)

[Consolidated](#)

[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

SEPL was incorporated in July 2019 by Bikash Sharma. The company is engaged in trading of various agro products such as soyabean extracts, maize, rape seed extract, non-basmati rice, rice bran and wheat. The company sells in the domestic market (mainly in West Bengal and Bihar) and also exports to Bangladesh. The company belongs to Sharma group with M/s. Sharma

Export (registered in 2013), the proprietorship firm of Bikash Sharma, being the flagship entity. The firm is also engaged in trading of various agro products such as soyabean extracts, maize and rape seed extract. These products are used as animal feed. The board comprises Bikash Sharma who handles day to day affairs of the group as a whole and his wife Sneha Sharma.

Standalone Financials

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	655.52	151.98
PBILDT	11.61	0.34
PAT	8.93	1.26
Overall gearing (times)	0.74	0.66
Interest coverage (times)	3.37	1.04

A: Audited Prov.: Provisional; Note: these are latest available financial results

Combined Financials

Brief Financials (₹ crore)	March 31, 2024 (UA)	March 31, 2025 (Prov.)
Total operating income	874.42	222.99
PBILDT	15.21	0.76
PAT	8.72	2.62
Overall gearing (times)	0.64	0.61
Interest coverage (times)	2.61	0.46

UA: Unaudited Prov.: Provisional; 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 facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - ST-EPC/PSC		-	-	-	10.00	CARE A4
Fund-based - ST-Foreign Bill Discounting		-	-	-	40.00	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 - ST-Foreign Bill Discounting	ST	40.00	CARE A4	-	1)CARE A4 (11-Mar-25)	1)CARE A4+ (21-Mar-24)	-
2	Fund-based - ST-EPC/PSC	ST	10.00	CARE A4	-	1)CARE A4 (11-Mar-25)	1)CARE A4+ (21-Mar-24)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - ST-EPC/PSC	Simple
2	Fund-based - ST-Foreign Bill Discounting	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Sharma Export	Full	Operational and financial linkages

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.

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