

Mahalasa Exports

December 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	40.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	0.60	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited has been seeking information from Mahalasa Exports to monitor the rating vide e-mail communications/letters dated October 10, 2025, October 29, 2025, and November 07, 2025 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited's opinion is not sufficient to arrive at a fair rating. The rating of Mahalasa Exports bank facilities has been downgraded and moved to issuer no cooperating category to CARE BB-; Stable/ CARE A4 ISSUER NOT COOPERATING * from CARE BB; Stable/ CARE A4.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating. The revision in rating is on account of non-availability of information.

The revision in the rating assigned to the bank facilities of Mahalasa Exports is on account of non-availability of information.

Analytical approach: Standalone

Detailed description of key rating drivers:

At the time of last surveillance rating on December 27, 2024, following were the key rating strengths and weaknesses

Key weaknesses

Modest scale of operation with modest net worth base

The scale as well as networth base of the entity continue to remain modest thus restricting the financials flexibility of the firm. Total Operating Income (TOI) though, remained stable in the last 5 years ended FY24, continued to moderate over last couple of years. The TOI moderated by 17% to Rs.299.3 crore in FY24 over FY23 on account of subdued demand from customers and moderation in sales realisation with competitive landscape. However, lead by improved realisation the entity's TOI was at Rs.143.02 crore for H1FY25. Moreover, consequent to withdrawal of capital in the past the networth continued to remain modest which stood at Rs.26.4 crore as on March 31, 2024.

Thin Profitability

Firm is a processor of cashew nuts, hence, the value addition remain limited as is evident from thin profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins. However, MHE's PBILDT margins exhibited a stable trend with a PBILDT margin within the range of 1.5-2.6% in the past three years ended FY24. It stood at 2.61% during FY24, with a y-o-y improvement of 98 bps on account of moderation in prices of cashew kernels.

Leveraged capital structure and weak debt coverage indicators

The entity's capital structure remained moderately leveraged consequent to capital withdrawals in the past. However, there has been a capital infusion by partner in FY24, resulting in improvement in capital structure, as is evident from an overall gearing of 1.83x as on March, 31, 2024 (PY: 2.64x). Its debt profile largely comprises external debt in the form of working capital and term debt. The total outside liabilities to net worth stood high at 2.13x as on March, 31, 2024 (moderated from 2.72x as on March, 31, 2023). The debt coverage indicator remained weak marked by Gross Cash Accruals (TD/GCA) ratio remains high at 16.59x in FY24, from 21.27x in FY23; albeit some improvement witnessed in FY24. However, the PBILDT interest coverage ratio remained moderate at 1.86x in FY24 (PY:1.80x).

Susceptibility of profits to volatile price fluctuation of cashew kernel and exposure to foreign exchange risk

The products dealt by the firm are cashew kernel which being cultivation-based commodity are highly volatile by nature and affected by regular fluctuations in the prices. Further the profitability margins of the firm are subject to fluctuation in foreign

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

exchange prices. The export sales accounted for 31% of total sales in FY24. While a large part of cashew kernel is imported, resulting in which the Firm is exposed to foreign exchange fluctuation risk. As a policy the Firm hedges about 10-15% of its exports thus reducing the impact of forex fluctuation to that extent.

Partnership nature of constitution

Being a partnership firm, MHE is exposed to inherent risk of partners' capital being withdrawn, and firm being dissolved upon the death/retirement/insolvency of partners which may affect financial flexibility of the firm. However, during FY24, partners have infused capital of Rs. 3.27 crore, as against withdrawal capital of Rs. 1.33 in FY23.

Presence of firm in a competitive and fragmented industry

The cashew industry in India is characterized by intense competition and fragmentation, with the presence of a large number of units due to low entry barriers and a liberal policy regime. The firm faces intense competition from other small regional players with limited single line. This limits the pricing power and the resultant profitability of the industry players in a market which is highly price sensitive.

Key strengths

Experienced promoters

MHE is promoted by B Rohidas Pai, B Vanitha Pai, B Priya Pai, B Yashaswini & B Nagesh, Partners, oversees operations. The Key partner Mr. B. Rohidas Pai, who spearheads the business has over 3.5 decades of business. Mahalasa Exports has been in the cashew processing business. The firm has also received several awards from the Ministry of MSME and the Government of India. It has a strong customer base in Middle Eastern countries, Singapore, the U.K., the U.S.A., Canada, Portugal, and other countries.

Established relationship with the suppliers and customers

Firm is in the cashew processing business for the past 35 years and caters to both domestic and international customers. In international markets, the major countries where the firm exports are Saudi Arabia, the USA, Kuwait, Bahrain, and other countries, with the majority of the revenue generated from the domestic market in FY24. The top five customers account for 17.31% of the total turnover (TOI) for FY24. The firm has also received several awards from the Ministry of MSME and the Government of India for export.

Liquidity: Stretched

Firm's liquidity position remains stretched, with tightly matched cash accruals to meet its debt repayments, leading to reliance on promoter funds for debt repayment. Further, cash flow from operations stood negative at Rs. 1.87 crores and the unencumbered cash and bank balance was modest at around Rs. 0.38 crore as of March 31, 2024.

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

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

Mahalasa Exports (MHE) is a Udipi (Karnataka) based a partnership firm established in January 1994 and currently looked after by partners B Rohidas Pai, B Vanitha Pai, Priya R Pai, B Yashashwini Pai and B Nagesh Pai. MHE is engaged in processing and packaging of cashew kernels. MHE also exports cashew to Middle East, United Kingdom, and United States etc.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	359.03	299.30
PBILDT*	5.85	7.81
PAT	2.07	2.31
Overall gearing (times)	2.64	1.83
Interest coverage (times)	1.80	1.86

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Mahalasa Exports has been classified under non-cooperation by issuer category by CRISIL Ratings Limited, India Ratings & Research and Brickworks Ratings India Pvt. Ltd. due to inadequate information provided by the firm.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Working Capital Limits		-	-	-	40.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Forward Contract		-	-	-	0.60	CARE A4; ISSUER NOT COOPERATING*

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

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-Working Capital Limits	LT	40.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (27-Dec-24)	-	-
2	Non-fund-based - ST-Forward Contract	ST	0.60	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (27-Dec-24)	-	-

*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-Working Capital Limits	Simple
2	Non-fund-based - ST-Forward Contract	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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Karthik Raj K Director CARE Ratings Limited Phone: +91-80- 4662 5555 E-mail: karthik.raj@careedge.in</p> <p>Manohar S Annappanavar Associate Director CARE Ratings Limited Phone: +91-80- 4662 5525 E-mail: manohar.annappanavar@careedge.in</p> <p>Saket Upadhyay Analyst CARE Ratings Limited E-mail: Saket.upadhyay@careedge.in</p>
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