

Sakuma Exports Limited

September 7, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 133.00 Crore	Regulator[^]
Long Term Rating	IVR BBB/Stable (Rating Assigned)	RBI
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The ratings assigned to the bank facilities of Sakuma Exports Limited (SEL) factors the extensive experience of promoters of more than two decades in agriculture commodities enabling strong supplier and customer relations. The ratings also derive strength from the comfortable financial risk profile as indicated by comfortable capital structure and debt coverage indicators. Also, the rating factors the prudent forex hedging and inventory procurement policy followed by the Company. However, the rating is constrained by product concentration risk (primarily trading of sugar), decline in revenues and profitability, increasing working capital intensity with shift in revenues towards domestic large corporates, exposure to agro-climatic risks and the inherent seasonality of the agricultural commodities business, changes in government policies and regulatory framework which had intensified with the geopolitical scenario around the globe.

Outlook: Stable

The Stable Outlook reflects the expectation that the Company will continue to improve its operating performance, supported by diversification of revenues across other agri products and established business relationships. The outlook also considers the improvement in profitability in Q1FY27 and expectation that the Company will maintain a stable financial profile over the medium term.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidated SEL and its subsidiaries (including step down subsidiaries) Sakuma Exim DMCC, Sakuma Exports Pte Limited, GK Exim FZE S.P.C. and Sakuma Impex Ltd are considered for consolidation.
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Comfortable financial risk profile**

SEL's financial risk profile continues to be comfortable as indicated by capital structure which stood comfortable with overall gearing at 0.01x and TOL/adjusted TNW at 0.26x as on 31st March 2026 (FY25: 0.15x and 0.21x and FY24: 0.29x and 0.40x). The capital structure is supported by strong adjusted networth of Rs. 748.86 crore as on 31st March 2026. Further, the total debt comprises of working capital borrowings considering the trading nature of business operations which declined with the decline in revenues and total debt stood at Rs. 8.80 crore (including lease liabilities) as on 31st March 2026. The lower debt levels led to lower interest costs leading to comfortable interest coverage ratio (4.28 times in FY26). Going forward, the capital structure is expected to remain comfortable considering the strong networth base.

- **Prudent forex hedging policy and inventory procurement policy**

SEL actively monitors its forex exposure and inventory procurement which mitigates the fluctuation in forex prices and commodities to an extent. The Company factors natural hedge and forward contracts to mitigate its forex risk. To manage the inventory price volatility risk, the Company places back-to-back orders with its vendors, enters in sale agreement and participates in commodity exchanges. The Company does not carry the inventory risk and is also able to pass on the price volatility to its customers. Thus, the Company is able to mitigate the forex movement and inventory price movements to a large extent by consistently following its prudent risk mitigation policies.

- **Long track record of business operations with experienced management**

SEL was started as a partnership firm in 1999 by Mr. Chander Mohan Malhotra and his son - Mr. Saurabh Malhotra and was subsequently converted into a public limited company in August 2005. Mr. Saurabh Malhotra has an experience of 20+ years of managing the business. The long track record and experience of the promoters aid the Company to sustain business through business cycles. Further, the Company services reputed clientele including Britannia Industries Limited, ITC (Imperial Tobacco Company) Limited, Coco Cola, Parle Products Private Limited amongst others thereby providing revenue visibility and mitigating credit risk of the customers.

Weaknesses

- **Product concentration risk**

SEL's product concentration has remained very high with sugar accounting for majority of its revenue which is subject to government policy for exports. With the ban on sugar exports (earlier implemented from October 18, 2023 with the ban continuing in FY25), the Company initiated domestic institutional business which provided volumes and revenue visibility but led to lower profitability compared to exports. The government subsequently permitted sugar exports for the 2025–26 sugar marketing year (subject to quotas) in November 2025. However, this policy was completely reversed on May 13, 2026, when the Directorate General of Foreign Trade (DGFT) issued an immediate, absolute ban on sugar exports until September 30, 2026. Going forward, the Company plans to broaden its product mix by entering the trading of ethanol and agro products including wheat flour, maize, edible oil, corn amongst others.

- **Decline in revenues and profitability**

The revenues of the Company had declined by ~25% in FY26 on account of decline in volumes with product concentration for trading of sugar. SEL's margins remain structurally thin given the trading nature of operations, exposure to agro-climatic risks, and the inherent seasonality of the agricultural commodities business. The margins declined sharply in FY26 with EBITDA margin at 0.42% and PAT margin at 0.55% (0.61% and 0.64% in FY25). The PAT margin was supported by non-operating income comprising of interest income, mark to market gain on forward contracts and profit on sale of investments. However, the profitability improved in Q1FY27 with EBITDA at Rs. 3.90 crore and PAT at Rs. 2.82 crore (Q1FY 26: Rs. 3.19 crore

and Rs. 1.65 crore respectively) despite decline in operating income at Rs. 333.32 crore (Q1FY 26: Rs. 375.77 crore); though it continues to be low compared to Q4FY26 (EBITDA: Rs. 9.18 crore and PAT: Rs. 6.52 crore). The profitability is primarily influenced by movement in raw material prices which is linked to procurement efficiencies (identification of the sugar mills) considering the trading nature operations. Going forward, it remains critical for the Company to diversify its revenue base and improve profitability.

- **Increase in working capital intensity; albeit stood moderate**

The working capital intensity of the Company increased in FY26 with operating cycle at 106 (FY25: 78 days) on account of increase in debtor days to 93 days (FY25: 62 days) and inventory days to 33 days (FY25: 21 days). The increase in debtor is primarily on account of shift of revenues to large domestic players and expected to remain at current levels. The inventory is maintained at around one month and expected to remain the same. Further, the creditor days continues be low at 20 days (FY25: 6 days) as the Company primarily purchases at discounted prices from factories against advance payment. However, the overall working capital utilizations stood low despite the increase in working capital intensity as primarily was funded through internal accruals. Going forward it remains critical for the Company to prudently manage its working capital requirements with the diversification of revenues across other products.

- **Agri commodities trading susceptible to government policies**

The trading of agricultural commodities is susceptible to Government regulations. Any change in the Government policy with respect to procurement price or duties levies on import/export may affect the viability of the trading operations. Currently, the major contributor of revenue is sugar which is subject to demand supply scenario across the globe coupled with changes in Government policy thereby exposing the Company to regulatory risks. Also, going forward, the Company plans to initiate operations in other agro products and ethanol which will continue to be exposed to the external risk factors. Further, the agro products are exposed to climatic conditions and preference by the farmers basis the cyclicity of the crop. Thus, it remains critical for the Company to diversify its revenue base across products and prudently manage its product mix with the changing external environment.

Liquidity –Adequate

The liquidity profile of the Company stood comfortable and is expected to remain adequate over the near to medium term, supported by healthy cash accruals vis-à-vis its interest obligations. Further, the unencumbered cash/bank balance stood at Rs. 17.80 crore as on 31st March 2026 and the Company had cash balance in working capital fund-based limits on an average for the past 12 months ending June 2026 providing liquidity cushion and financial flexibility.

Rating Sensitivities

Upward Factors

- Timely diversification of revenues across products while maintaining the capital structure and working capital intensity.
- Improvement in scale of operations and profitability with PAT margin at 1% on a sustained basis

Downward Factors

- Deterioration in capital structure and working capital intensity leading to impact on liquidity profile.
- Lower than envisaged revenue and profitability with PAT margin below 0.50% on a sustained basis

About the Company

Sakuma Exports Limited (SEL) was started as a partnership firm in 1999 by Mr. Chander Mohan Malhotra and his son -Mr. Saurabh Malhotra and was subsequently converted into a public limited company in August 2005. It is engaged in international trading and domestic trading activity. The Company has specialized and created a niche for itself in the area of export of agro-based commodities. The Company is in trading of sugar, peanuts, red split lentils, de-oiled cakes (soya, sunflower etc.) onions, maize, wheat flour, sesame seeds, chilli, rice, castor oil, chickpeas, etc. However, the primary revenue contributor is from trading of sugar.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited[^]
Total Operating Income	2289.55	1708.28
EBITDA	13.92	7.21
PAT	14.79	9.51
Total Debt	105.50	8.80
Adjusted Tangible Net Worth (ATNW)	706.99	748.86
EBITDA Margin (%)	0.61	0.42
PAT Margin (%)	0.64	0.55
Overall Gearing (times)	0.15	0.01
Interest Coverage (times)	3.90	4.28

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

[^]The FY26 financials are based on the abridged financial available on the BSE Exchange.

Applicable Criteria

[Rating Methodology for Trading Companies](#)

[Financial Ratios Interpretation: Non Financial Entities](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments](#)

[Criteria for assigning Rating outlook](#)

[Consolidation of Companies](#)

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
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1.	Long Term Fund Based Bank Facilities	LT	66.30	IVR BBB/ Stable	--	--	--
2.	Proposed Long Term Fund Based Bank Facilities	LT	66.70	IVR BBB/ Stable	--	--	--

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator [^]	Complexity Indicator
Cash Credit 1	--	--	--	--	27.80	IVR BBB/ Stable	--	RBI	Simple
Cash Credit 2	--	--	--	--	25.00	IVR BBB/ Stable	--	RBI	Simple
Cash Credit 3	--	--	--	--	13.50	IVR BBB/ Stable	--	RBI	Simple
Proposed Cash Credit	--	--	--	--	66.70	IVR BBB/ Stable	--	RBI	Simple

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_Sakuma_Exp07_Sep26_a9eef42dcf.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated analysis:

Name of the entity	Extent of Consolidation	Rationale for consolidation
Sakuma Exim DMCC	Full Consolidation	Subsidiary
Sakuma Exports Pte Limited	Full Consolidation	Subsidiary
GK Exim FZE S.P.C.	Full Consolidation	Step down subsidiary
Sakuma Impex Limited	Full Consolidation	Subsidiary

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs [^]	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI

Sr. No.	Instrument / activity Name	Regulator of the instruments
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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