File No. FAEL/NSE/2024-25/12 January 4, 2025

To

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E) Mumbai - 400 051.

COMPANY SYMBOL: FRESHARA, ISIN: INE0SFW01015

Dear Sir/Madam,

Subject: Intimation regarding Credit Rating under Regulation 30 of SEBI Listing Regulations

Dear Sir/Ma'am,

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that CRISIL Ratings Limited has assigned its ratings on the Bank loan facilities of the Company ('Freshara Agro Exports Limited'), the details of which are as under:

Total Bank Loan Facilities Rated	Rs.100 Crore
Long Term Rating	CRISIL BBB/Stable
Short Term Rating	CRISIL A3+

Copy of Rating rationale published by rating agency is appended herewith.

Kindly acknowledge and take the same on record.

Thanking you.

For FRESHARA AGRO EXPORTS LIMITED

AJAY KUMAR RANA
Digitally signed by AJAY KUMAR RANA
Date: 2025.01.04 10:05:19 +05'30'

Ajay Kumar Rana
Company Secretary & Compliance Officer
M. No. A27952
Encl.as above

Rating Rationale

January 03, 2025 | Mumbai

Freshara Agro Exports Limited

'CRISIL BBB/Stable/CRISIL A3+' assigned to Bank Debt

Rating Action

Total Bank Loan Facilities Rated	**Rs.100 Crore**
Long Term Rating	**CRISIL BBB/Stable (Assigned)**
Short Term Rating	**CRISIL A3+ (Assigned)**

Note: None of the Directors on CRISIL Ratings Limited's 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.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL BBB/Stable/CRISIL A3+'** ratings to the bank loan facilities of Freshara Agro Exports Limited (FAEL).

The rating reflects FAEL's established market position in gherkins exports business and healthy financial risk profile. These strengths are partially offset by large working capital requirements and Susceptibility to climate changes.

Analytical Approach

CRISIL Ratings has evaluated the standalone business and financial risk profiles of FAEL.

Key Rating Drivers & Detailed Description

Strengths:

- **Established market position in** gherkins exports business**:** FAEL has been in the business of processing and exporting gherkins for almost a decade. The company provides end-to-end solutions relating to gherkin cultivation to farmers, which has helped them increase their yields. The company's maintains cultivation history of each farmer, making it easy to track both productivity and problems and provide timely solutions. CRISIL Ratings believes that FAEL's improving operational efficiency is likely to stabilise its established market position over the medium term.

- **Healthy financial risk profile:** Debt protection metrics is robust as reflected in interest coverage ratio and net cash accruals to adjusted debt ratio of 9.57 times and 0.27 times in fiscal 2024. Capital structure was leveraged, marked by gearing of 3.99 times and total outside liabilities to tangible networth (TOL/TNW) ratio of 5.18 times as on March 31, 2024. With infusion of Rs 75.39 crore in oct 2024 gearing and TOL/TNW ratio may remain less than 1 time as on March 31, 2025.

Weaknesses:

- **Large working capital requirements:** FAEL's operations are working capital intensive, driven by high receivables of 90 to 100 days and moderate inventory holding to 60 to 75 days, as reflected in its gross current assets at 249 days as on March 31, 2024. These large working capital requirements are funded through extended credit from external borrowings. Working capital requirement will continue remain at similar levels over the medium term.

- **Susceptibility to climate changes:** Gherkin is a labor-intensive time sensitive seasonal crop and dependent on the monsoon and irrigation. This exposes the company to the risk of limited availability of raw material in case of unfavourable climatic conditions, leading to fluctuations in prices.

Liquidity: Adequate

Bank limit utilisation is moderate at around 90 percent for the past twelve months ended November 2024. Cash accruals are expected to be over Rs.28 crores per annum which are adequate against term debt obligation of Rs 1.5 to 2.5 crores over the medium term.. With equity infusion of Rs.75.39 crore through IPO, of which Rs.56 crore will be used for working capital and Rs.7.59 crore for general corporate purpose has been earmarked, liquidity will remain adequate.

Outlook: Stable

CRISIL Ratings believe FAEL will continue to benefit from the established market position of the company in gherkins exports, and established relationships with farmers and clients.

Rating sensitivity factors

Upward factors:

- Substantial and sustained improvement in revenue at over 30 percent crore while sustaining EBIDTA margin at over 18 percent leading to higher cash accruals.
- Sustenance of improved financial risk profile and no major stretch in working capital cycle

Downward factors:

- Decline in scale of operations by 20 percent or profitability margin below 12 percent, hence leading to lower net cash accrual
- Large debt-funded capital expenditure or substantial increase in its working capital requirements thus weakening its liquidity & financial profile.

About the Company

FAEL was established as a partnership firm named "Freshera Picklz Exports" in 2015 and was later reconstituted as a public limited in 2023 to its current name. FAEL is engaged in procurement, processing and exporting of preserved Gherkins and other pickled commodities. The company has processing facility which is located at Tirupattur, Tamil Nadu and company is setting up one more unit which will be operational by Jan 2025. It is listed on National Stock Exchange (NSE SME).

FAEL is owned & managed by Junaid Ahmed Khudrathullah.

Key Financial Indicators

As on/for the period ended March 31	Unit	2024	2023
Operating income	Rs crore	194.36	126.70
Reported profit after tax	Rs crore	21.82	9.08
PAT margins	%	11.23	7.17
Adjusted Debt/Adjusted Networth	Times	5.18	3.58
Interest coverage	Times	9.57	6.19

Any other information: Not Applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Export Packing Credit & Export Bills Negotiation/Foreign Bill discounting	NA	NA	NA	45.00	NA	CRISIL A3+
NA	Pre Shipment Credit	NA	NA	NA	29.00	NA	CRISIL A3+
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	13.95	NA	CRISIL BBB/Stable
NA	Term Loan	NA	NA	30-Sep-30	12.05	NA	CRISIL BBB/Stable

Annexure - Rating History for last 3 Years

	Current			2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	ST/LT	100.0	CRISIL A3+ / CRISIL BBB/Stable		--		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Export Packing Credit & Export Bills Negotiation/Foreign Bill discounting	45	HDFC Bank Limited	CRISIL A3+
Pre Shipment Credit	29	IndusInd Bank Limited	CRISIL A3+

Proposed Long Term Bank Loan Facility	**13.95**	**Not Applicable**	**CRISIL BBB/Stable**
Term Loan	**12.05**	**HDFC Bank Limited**	**CRISIL BBB/Stable**

Criteria Details

Links to related criteria
[Rating criteria for manufaturing and service sector companies]
[CRISILs Bank Loan Ratings - process, scale and default recognition]
[CRISILs Approach to Financial Ratios]
[CRISILs Criteria for rating short term debt]

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **CRISIL Limited** M: +91 98201 77907 B: +91 22 3342 3000 ramkumar.uppara@crisil.com **Prakruti Jani** Media Relations **CRISIL Limited** M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com **Sanjay Lawrence** Media Relations **CRISIL Limited** M: +91 89833 21061 B: +91 22 3342 3000 **sanjay.lawrence@crisil.com**	Jayashree Nandakumar Director **CRISIL Ratings Limited** B:+91 44 6656 3100 jayashree.nandakumar@crisil.com Sajesh Kv Associate Director **CRISIL Ratings Limited** B:+91 44 6656 3100 sajesh.kv@crisil.com Dinesh Kumar Senior Rating Analyst **CRISIL Ratings Limited** B:+91 44 6656 3100 dinesh.kumar@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com