



Press Release
NIKET FOOD PRODUCTS PRIVATE LIMITED
August 26, 2025
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BB+ Stable Downgraded	-
Bank Loan Ratings	50.00	-	ACUITE A4+ Downgraded
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to 'ACUITE BB+' (read as ACUITE double B plus) from 'ACUITE BBB-' (read as ACUITE triple B minus) and short-term rating to 'ACUITE A4+' (read as ACUITE A four plus) from 'ACUITE A3' (read as ACUITE A three) on the Rs. 70.00 Cr. bank facilities of Niket Food Products Private Limited (NFPPL). The outlook is 'Stable'.

Rationale for rating downgrade

The rating downgrade was on account of continued deterioration in profitability in FY2024 and FY2025(Prov) and the expected overall weak performance in the near term. The company geographically diversified its revenues to the domestic market mainly from international Bangladesh due to geopolitical issue and dollar crisis in Bangladesh. In FY2025, the company had inventory losses due to lower demand on account of availability of substitute product i.e. rice at subsidized rate by Food Corporation of India (FCI) coupled with bumper crop for the year. The rating takes into the account average financial risk profile and regulatory risk associated in the agro commodity industry. However, rating draws comfort from long standing operations and experienced promoters and the augmentation of scale.

About the Company

Incorporated in 2002, Niket Food Products Private Limited (NFPPL), a Kolkata based company is engaged in the trading of agricultural products namely, maize, rice, soya doc, bajra, pulses and wheat, with major focus on maize. The company is headed by Mr. Nawal Kishore Ladha having more than two decades of experience in this field. The company has its warehouse located at Dalkhola, West Bengal godown.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of NFPPL to arrive at the rating.

Key Rating Drivers

Strengths

Long standing operations and experienced promoters

NFPPL has over two decades of operational track record in the trading business of agricultural products in domestic and international market. Further, the promoters, Mr. Nawal Kishore Ladha, Mr. Manoj Kumar Ladha, Smt. Sunita Ladha and Mr. Raju Ladha have extensive experience of over two decades in the procurement, sorting, processing & distribution of agricultural commodities. Acuite believes that the long operational track record of NFPPL and promoters' extensive understanding and expertise will benefit the company going forward, resulting in

steady growth in the scale of operations.

Augmentation in scale of operations

The company has reported the revenue of Rs 787.41 Cr. in the FY2025(Prov.) as compared to revenue of Rs 426.55 Cr. achieved in the FY2024 reflecting the growth of 84.60 percent on account of change in customer profile by increasing the presence in the local market as an alternative of export of sales. Prior to FY2024 company remains exposed to geographical concentration risk as Bangladesh accounted for the major portion of the total revenues. During FY2023, ~79 per cent of the total operating income were derived from exports to customers based out of Bangladesh. However, in the FY2024 export sales had been drastically reduced to ~10 percent on account of geopolitical issue and situation arise like dollar crisis arise in Bangladesh and further reduced to 1.46 percent in FY2025(Prov.). However inventory days stood low at 10 days as on March 31, 2025(Prov.) as compared to 3 days as on March 31, 2024. Acuité believes that the company's ability to grow further would remain key monitorable.

Weaknesses

Operating losses margin reported due to volatility in the commodity prices

The company reported an operating loss of Rs 2.13 Cr. in FY2025(Prov.) as compared to 0.12 percent margin in FY2024 and 7.70 percent margin in FY2023 mainly of account of inventory losses faced by the company emanating from lower demand on account of availability of substitute product i.e. rice at subsidized rate by FCI resulted into decline in the maize demand in the domestic markets. With the dip in operating margin, PAT margin is also dip Y-O-Y reflected by net loss of Rs 2.86 Cr. in FY2025(Prov.) as compared to net loss of Rs 0.08 Cr. in FY2024 and 5.09 percent margin in FY2023.

Acuité believes that, going forward also, the company's ability to manage its profitability would be key monitorable.

Average financial risk profile

The company's financial risk profile is reflected by low net worth base, low gearing and weakening debt protection measures. The tangible net worth of the company stood at Rs.53.48 Cr. as on March 31, 2025(Prov), from Rs.56.34 Cr. as on March 31, 2024, and Rs 56.42 Cr. as on March 31, 2023 account of loss incurred during the year resulted into deterioration in net worth. This has also resulted in the weakening the debt protection metrics. The total debt of the company stood at Rs 39.64 Cr. as on March 31, 2025(Prov.) which consist of long-term debt of Rs 2.08 Cr, unsecured loans from friends/relatives of Rs 3.86 Cr. and short-term borrowings of Rs 33.70 Cr. Short term borrowings has increased from Rs 18.21 Cr. as on March 31, 2024 to Rs 33.70 Cr. as on March 31, 2025(Prov.). Gearing of the company increased Y-0-Y which stood at 0.74 times as on March 31, 2025(Prov) as compared to 0.46 times as on March 31, 2024 and 0.15 times as on March 31, 2023. Further, Total Outside Liabilities/Tangible Net Worth (TOL/TNW) increased Y-0-Y which stood at 0.76 times as on March 31, 2025(Prov) as compared to 0.55 times as on March 31, 2024 and 0.50 times as on March 31, 2023. Moreover, weakening of the debt protection metrics marked by negative coverage ratio as on March 31, 2025 (Prov.) on account of loss incurred during the year as compared to 1.05 times interest Coverage Ratio (ICR) and Debt Service Coverage Ratio (DSCR) at 0.99 times as on March 31, 2024. Acuité believes that going forward the financial risk profile of the company will be sustained backed by positive cash accruals and no major debt funded capex plans in near terms.

Regulatory risk in the agro commodity industry

The price and trade of commodities is highly vulnerable to export restrictions by the government depending on domestic demand-supply scenario and level of inflation which was same reflected in FY2025(prov.) and FY2024. Thus, any adverse change in government policies can affect volumes and margins of the industry players. In addition to that there is thin line of margin in the domestic market. Being involved in agro-commodity trading, the company also remains exposed to agro-climatic risks, changing crop patterns and the associated cyclicity in the business.

Rating Sensitivities

- Improvement in operating income along with improvement in margins
- Elongation in the working capital cycle
- Deterioration in financial risk profile and liquidity

Liquidity Position

Adequate

The liquidity position of the company remains adequate though reflecting negative cash accruals of Rs 2.80 Cr. as against repayable of debt obligations of Rs 2.13 Cr. over the same period but having cash and bank balance of Rs 2.48 Cr. as on March 31, 2025(Prov.) Further the company is having liquid investment in the form of mutual funds and Fixed deposit of Rs 13.27 Cr. as on March 31, 2025(Prov.). The current ratio of the company stood comfortable at 2.44 times as on March 31, 2025(Prov.). Further there remains a buffer in the bank limit utilization as the average bank limit utilisation for fund-based facilities stood at 52.83 percent and nil utilisation of non-fund-based facilities for the twelve months ended with June 2025. Acuité believes that going forward the company will maintain adequate liquidity position due to positive accruals, sufficient liquid funds available with the company.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	787.41	426.55
PAT	Rs. Cr.	(2.86)	(0.08)
PAT Margin	(%)	(0.36)	(0.02)
Total Debt/Tangible Net Worth	Times	0.74	0.46
PBDIT/Interest	Times	(0.07)	1.05

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Jul 2024	Packing Credit	Short Term	5.00	ACUITE A3 (Downgraded from ACUITE A3+)
	PC/PCFC	Short Term	25.00	ACUITE A3 (Downgraded from ACUITE A3+)
	Covid Emergency Line.	Long Term	5.38	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Proposed Cash Credit	Long Term	34.62	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
03 Apr 2023	Packing Credit	Short Term	5.00	ACUITE A3+ (Assigned)
	PC/PCFC	Short Term	25.00	ACUITE A3+ (Assigned)
	Covid Emergency Line.	Long Term	5.38	ACUITE BBB Stable (Assigned)
	Proposed Cash Credit	Long Term	34.62	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	1.82	Simple	ACUITE BB+ Stable Downgraded (from ACUITE BBB-)
Bank of India	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A4+ Downgraded (from ACUITE A3)
Union Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A4+ Downgraded (from ACUITE A3)
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.18	Simple	ACUITE BB+ Stable Downgraded (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A4+ Downgraded (from ACUITE A3)

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About Acuité Ratings & Research

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