



Press Release
KPS AGRO PRODUCTS
October 14, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	24.00	ACUITE BB Stable Assigned	-
Bank Loan Ratings	4.00	-	ACUITE A4+ Assigned
Total Outstanding Quantum (Rs. Cr)	28.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned long term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 24 Cr and short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 4 Cr bank facilities of KPS Agro Products. The outlook is '**stable**'.

Rationale for Rating:

The rating takes into cognizance benefits derived by the business from the management, increasing revenues and operating profitability, moderate working capital and adequate liquidity. However, these strengths are partly offset by thin profitability margins and average financial risk profile.

About the Company

West Bengal based, KPS Agro Products was established in 2020. The firm's manufacturing unit is located at Tarkeshwar, West Bengal and has an installed capacity of 60,000 MTPA for processing wheat into maida, chakki atta, rawa and Suji among others. The partners of the firm are Mr. Surojit Saha, Mr. Sourendranath Saha, Mrs. Sonali Saha, Mrs. Bithika Saha and Mrs. Gauri Saha. The firm has started its commercial production from April 2023.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken standalone view of business and financial risk profile of KPS Agro Products.

Key Rating Drivers

Strengths

Benefits derived from the management and clientele base

The operations of the firm are managed by Mr. Surojit Saha, Mr. Sourendranath Saha, Mrs. Sonali Saha, Mrs. Bithika Saha and Mrs. Gauri Saha. The customers of the firm are mostly through dealers and distributors but also includes institutional sales to Britannia Industries Limited and ITC Limited among others. Acuite believes that the experienced management and customer base will benefit the firm going forward.

Steady Revenues and operating profitability

The revenues have increased to Rs. 97.19 Cr as on March 31, 2025(Prov.) as compared to Rs.

63.41 Cr. as on March 31, 2024 on account of slightly better capacity utilization leading to higher quantity sold. The operating profitability has increased to 4.17 percent as on March 31, 2025(Prov.) as compared to 3.57 percent as on March 31, 2024 due to economies of scale. Acuite believes that the scale of operations of the firm are expected to remain steady over the medium term.

Moderate Working Capital Cycle

The operations of the firm have a moderate working capital requirement as reflected from Gross Current Assets of 86 days as on March 31, 2025(Prov.) as compared to 81 days as on March 31, 2024. The inventory days stood at 68 days as on March 31, 2025(Prov.) as compared to 45 days as on March 31, 2024. The debtor days stood at 18 days as on March 31, 2025 (Prov.) and March 31, 2024. The creditor days stands at 8 days as on March 31, 2025(Prov.) as compared to 9 days as on March 31, 2024. Acuite believes that working capital requirements are expected to improve over the near to medium term on account of better inventory management.

Weaknesses

Average Financial Risk Profile

The financial risk profile of the firm is average marked by low net worth, moderate gearing and comfortable debt protection metrics. The adjusted tangible net worth stood at Rs. 18.36 Cr as on March 31, 2025(Prov.) as compared to Rs. 16.89 Cr as on March 31, 2024 due to infusion of capital and small accretion of profits. Acuite has considered unsecured loans of Rs. 7.57 Cr as quasi equity as on FY 2025(Prov.), as the same has been subordinated to bank loans. Adjusted Gearing stood at 1.26 times as on March 31, 2025(Prov.) compared to 1.12 times as on March 31, 2024. The interest coverage ratio stood at 2.34 times as on March 31, 2025(Prov.) compared to 1.81 times as on March 31, 2024. The debt service coverage ratio stood stable at 1.33 times as on March 31, 2025(Prov.) as compared to 1.81 times as on March 31, 2024. The TOL/TNW stood at 1.39 times as on March 31, 2025(Prov.) as compared to 1.21 times as on March 31, 2024. Acuite believes that the firm's financial risk profile will remain average in the near to medium term backed by steady cash accruals and absence of major debt funded capex plans

Presence in a fragmented and highly competitive milling industry

The nature of the product makes the industry highly fragmented, with numerous players operating in the unorganized sector with very less product differentiation. Furthermore, the concentration of millers around the growing regions makes the business intensely competitive.

Rating Sensitivities

Movement in revenues and operating profitability
Working Capital Cycle

Liquidity Position

Adequate

The liquidity is adequate marked by steady net cash accruals of Rs. 2.62 Cr as on March 31, 2025(Prov.) as against long term debt repayment of Rs. 1.49 Cr over the same period. The cash and bank balances stood at Rs. 0.38 Cr as on March 31, 2025(Prov.) as compared to Rs. 2.62 Cr as on March 31, 2024. The current ratio stood at 1.20 times as on March 31, 2025(Prov.) as compared to 1.13 times as on March 31, 2024. The average bank limit utilization for twelve months ended, July 2025 is 85 percent. Further, the promoters have demonstrated flexibility to infuse unsecured loan in the past as and when needed to support the growth in the business. Acuite believes that going forward the liquidity position of the firm will remain adequate in the near to medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	97.19	63.41
PAT	Rs. Cr.	0.05	(1.58)
PAT Margin	(%)	0.05	(2.49)
Total Debt/Tangible Net Worth	Times	1.26	1.12
PBDIT/Interest	Times	2.34	1.81

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

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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:Not Applicable

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.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE A4+ Assigned
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BB Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.87	Simple	ACUITE BB Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	27 Nov 2020	Not avl. / Not appl.	31 Dec 2028	6.06	Simple	ACUITE BB Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	21 Mar 2023	Not avl. / Not appl.	31 Mar 2030	1.31	Simple	ACUITE BB Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	27 Jul 2023	Not avl. / Not appl.	31 Mar 2030	0.76	Simple	ACUITE BB Stable Assigned

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About Acuité Ratings & Research

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