

Natural Food Commercials Private Limited

March 25, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	48.20	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	20.00	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Natural Food Commercials Private Limited (NFCL) continue to derive strength from the company's long presence in the agricultural commodities business, diversified supplier base, and satisfactory financial risk profile.

However, ratings are constrained by working capital intensive operations, declining scale of operations, low profitability margins with exposure to risks related to tender-driven business and raw material price volatility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistently growing scale of operations to above ₹500 crore, while maintaining profit before interest, lease rentals, depreciation, and taxes (PBILDT) margins above 3%.
- Improving total debt gross cash accruals (TD/GCA) to below 3.00x.

Negative factors

- Deteriorating gearing levels above 2x.
- Deterioration of interest coverage below 1.5x on sustained basis.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects that CARE Ratings Limited (CareEdge Ratings) expects the company to sustain its operational performance and adequate liquidity in the medium term, supported by the successful renewal of egg supply contracts and long presence in the agricultural commodities business.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and long track record in supplying Eggs and Agricultural Commodities to Tamil Nadu Civil Supply Corporation (TNCSC)

NFCL is engaged in supplying eggs to school children for noon meal programme under integrated child development services (ICDS) scheme in Tamil Nadu and trading agricultural commodities such as pulses, oil, and sugar to Tamil Nadu Civil Supplies Corporation Limited (TNCSC; rated 'CARE BBB+; Stable'). The company has been supplying to TNCSC since its inception with experienced promoters looking at after day-to-day affairs.

Strong procurement and distribution network

NFCL procures raw materials such as eggs and pulses directly from farmers and through agents. The company has diversified suppliers across India to meet its delivery targets. The company employees directly manage procurement operations and maintain an updated database of vendors across India. The company manages distribution network on its own for ICDS supplies.

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

Satisfactory capital structure

The company's gearing improved to 0.43x as on March 31, 2025, from 1.06x as on March 31, 2024, driven by repayment of unsecured loans from promoters and related parties. The company does not have long-term debt obligations. Interest coverage stood comfortable at 3.34x in FY25 against 1.62x in FY24.

Improving scale of operations in FY25

The company's scale of operations expanded in FY25, with operating income rising to ₹333.19 crore, reflecting a year-on-year growth of 53.71% over FY24, primarily supported by the supply of dhal to private players. In 9MFY26, the company reported operating income of ₹179.41 crore, which is lower by 38.34% compared to 9MFY25.

Key weaknesses

Exposure to risks related to tender-driven business and raw material price volatility

The company enters fixed price contract for one year to supply eggs under ICDS with the Government of Tamil Nadu (GoTN). Since prices are fixed at the time of bidding, the company cannot pass on increase in raw material prices to its end-users. Raw material prices, such as egg, pulses and oil have exhibited volatility in the past. As a result of the fixed price contract for a large part to business operations, the company's margins exhibit volatility. PBILDT margins remained thin at 3.09% in FY25 (PY: 2.13%), attributable to the trading nature of operations.

Liquidity: Adequate

The company's liquidity is adequate, marked by sufficient cash accruals against nil repayment obligations. The company offers credit period of 60-90 days for ICDS egg supply contracts. It relies on large working capital for procuring raw materials in bulk. The company generally holds 2-3-month stock for its requirement for PDS contracts. NFCL has fund-based working capital limit of ₹48.20 crore. Average utilisation of fund-based working capital limits stood at 77% for 12-months ended February 2026. The company had a cash and bank balance of ₹8.95 crore as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast-moving consumer goods	Fast-moving consumer goods	Agricultural food and other products	Other agricultural products

NFCL supplies eggs, dal, and oil to GoTN departments under the Puratchi Thalaivar MGR Nutritious Meal and ICDS programme. NFCL was incorporated in 2012 as a partnership firm as Natural Food Products and was subsequently converted into a private limited company under its present name on July 13, 2021.

Brief financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	216.77	333.19	114.37
PBILDT*	4.62	10.29	8.47
PAT	3.42	8.54	5.09
Overall gearing (x)	1.06	0.43	NA
Interest coverage (x)	1.62	3.34	5.23

A: Audited, UA: Unaudited NA: Not available; Note: these are latest available financial results

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

Status of non-cooperation with previous CRA: Not applicable

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	48.20	CARE BBB-; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	20.00	CARE A3

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-Cash Credit	LT	48.20	CARE BBB-; Stable	-	1)CARE BBB-; Stable (13-Mar-25)	1)CARE BBB-; Stable (11-Mar-24)	1)CARE BBB-; Negative (03-Mar-23) 2)CARE BBB-; Negative (05-Apr-22)
2	Non-fund-based - ST-Bank Guarantee	ST	20.00	CARE A3	-	1)CARE A3 (13-Mar-25)	1)CARE A3 (11-Mar-24)	1)CARE A3 (03-Mar-23) 2)CARE A3 (05-Apr-22)

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-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	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

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