

N K Agro Exports (India) Private Limited

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	42.93	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Long-term / Short-term bank facilities	90.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category
Short-term bank facilities	50.30	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from N K Agro Exports (India) Private Limited (NK) to monitor the rating vide e-mail communications dated November 15, 2025, November 26, 2025, December 02, 2025, December 15, 2025, December 19, 2025, December 24, 2025, December 30, 2025, January 07, 2026, January 15, 2026, February 02, 2026, February 09, 2026, February 17, 2026, February 25, 2026, March 02, 2026, and March 06, 2026, and March 11, 2026, and numerous phone calls. However, despite our repeated requests, the entity has not provided the requisite information for monitoring the rating. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Ratings on bank facilities of NK will now be denoted as CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*.

Users of these ratings (including investors, lenders, and the public at large) are hence requested to exercise caution while using above rating(s).

The last rating assigned to bank facilities of NK factored in moderate operating cycle, stretched liquidity, thin profitability, leveraged capital structure with strained debt coverage indicators, highly fragmented and competitive nature of the industry, and susceptibility of profit margins to foreign exchange fluctuations. However, the rating was supported by the company's growth in scale of operations, well-established and diversified relationships with customers and suppliers, and its long track record and experienced promoters. Ratings factored in the company's financial performance in 9MFY25.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the company's total operating income (TOI) by 20% and operating profitability margin to above 2.50% on a sustained basis.
- Overall gearing improving to below 2x and significant improvement in total debt to gross cash accrual (TD/GCA).

Negative factors

- Significant decline in TOI or PBILDT by over 30% year-over-year (y-o-y) basis.
- Elongation of operating cycle to over 90 days.

Analytical approach: Standalone

Outlook: Stable

CareEdge Ratings expects the company to continue benefiting from the promoters' experience and strong, well-established relationships with suppliers and customers.

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

Detailed description of key rating drivers:

At the time of last rating assignment on April 03, 2025, the following were the rating strengths and weaknesses.

Key weaknesses**Highly fragmented and competitive industry**

The company operates in the highly fragmented agro-commodity trading sector, characterised by numerous organised and unorganised players and low entry barriers due to minimal value addition, leading to intense competition. This competitive landscape pressures profit margins, making it crucial for the company to differentiate through efficient sourcing, robust supply chain management, and strategic partnerships.

Thin profitability and susceptibility to foreign exchange fluctuations

NK's operating profitability has remained stable over the last five years with its profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin ranging between 1% and 2%. In FY24, the PBILDT margin stood at a modest 1.61%, largely aligned with the previous year, supported by stable input costs. The profit after tax (PAT) margin remained modest at 0.50% in FY24 (PY: 0.44%). Meanwhile, the return on capital employed (ROCE) stood at 7.58% in FY24 (PY: 9.51%), while the fixed asset turnover ratio improved to 30.88x (PY: 28.93x).

The company generates over 95% revenue from the export market, making it susceptible to foreign exchange fluctuations-a common challenge in the industry. However, it mitigates this risk by entering forward contracts, and generated a net foreign exchange gain of ₹9.96 crore in FY24 (PY: ₹9.73 crore).

Moderate operating cycle

The entity's operations remain working capital intensive as reflected in its gross current asset days and working capital cycle, which stood at 117 days (PY: 52 days) and 52 days (PY: 43 days), respectively, in FY24. The increase in the working capital cycle was primarily driven by a rise in the average collection period from 45 days in FY23 to 68 days in FY24. Consequently, the debtors' balance surged from ₹73.05 crore as on March 31, 2023, to ₹258.75 crore as on March 31, 2024, due to a significant portion of turnover (~40%-50%) occurring in the last quarter of FY24. However, there were no debtors outstanding for over six months as on March 31, 2024. The average inventory holding period remained low at eight days (PY: nine days), while the average creditors' period increased to 24 days (PY: 11 days). In FY24, net working capital (NWC) accounted for ~74% of total capital employed (PY: 89%)

Leveraged capital structure and strained debt coverage indicators

The entity's capital structure remained leveraged with an overall gearing of 6.41x as on March 31, 2024 (vs. 5.16x as on March 31, 2023), reflecting a high reliance on external debt. Its debt profile primarily consists of working capital and term debt. Total outside liabilities to total net worth (TOL/TNW) also remained elevated at 9.59x as on March 31, 2024 (vs. 7.02x as of March 31, 2023). The moderation in capital structure in FY24 was driven by ongoing debt-funded capex and increased utilisation of working capital borrowings. Debt coverage indicators remained strained with the PBILDT interest coverage ratio at 2.07x in FY24 (vs. 2.08x in FY23) and TD/GCA rising sharply to 35.04x in FY24 (vs. 14.83x in FY23), primarily due to a significant increase in debt levels while profitability remained stable.

Key strengths**Well-established and diversified relationships with customers and suppliers**

With a market presence spanning over three decades, the company has built strong and long-standing relationships with customers and suppliers. Its established reputation has enabled it to secure repeat orders from export customers while benefiting from favorable pricing from suppliers in the domestic market. The company derives ~50%-60% revenue from China, 20%-30% from Bangladesh, and the remainder from other countries.

Growth in scale of operations

The company's TOI grew at a compounded annual growth rate (CAGR) of 21.98% over the last four years, reaching ₹893.08 crore in FY24, a ~14% increase from FY23, driven by improved demand from customers. For 9MFY25, the company reported a TOI of ₹470.38 crore and expects to close FY25 with ₹800 crore. The decline in the current year is primarily due to adverse weather conditions in chili-producing states; however, a recovery is anticipated in FY26.

The company commissioned a new chili oil plant in Mahabubabad with a total project cost of ~₹70 crore. Its net worth increased to ₹33.17 crore as on March 31, 2024 (from ₹14.45 crore as on March 31, 2023), driven by profit retention and the issuance of 80,438 equity shares with a face value of ₹100 each at an issue price of ₹1,554 per share, raising ₹12.50 crore from existing shareholders

Long track record and experienced promoters

The company was promoted by Nandyala Satyanarayana and his sons, leveraging his extensive experience of over three decades in trading agricultural commodities. In addition to leading the company, he holds directorial and partnership roles in multiple entities involved in seafood processing, commodity exports, and cold storage leasing. A qualified graduate, he began his career as a local onion trader before expanding into broader agro-commodity trading.

The company's operations are further strengthened by two directors, N Siva Krishna and N Gopal Krishna, both qualified graduates from Kingston University, London.

Liquidity: Stretched

Liquidity remains stretched, marked by a low current ratio and high utilisation of working capital facilities, despite adequate GCA relative to debt repayments. As on March 31, 2024, the company's current ratio stood at 1.07x, while the quick ratio remained comfortable at 1.05x. The fund-based working capital limits of ₹135 crore were utilised at ~74% over the 12 months ending February 2025, with no instances of overdrawings. Net cash flows from operations were negative at ₹91 crore in FY24, primarily due to a significant increase in debtors. The company maintained an unencumbered cash and bank balance of ₹2.19 crore as of March 31, 2024.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default](#)

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

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast moving consumer goods	Fast moving consumer goods	Food products	Other food products

Based in Andhra Pradesh, NK was incorporated as a private limited company on September 22, 2010, by Nandyala Satyanarayana and his two sons. Headquartered in Tadepalligudem, Andhra Pradesh, the company specialises in the export trading agricultural commodities, including chilli, maize, garlic, ginger, cotton, sugar, tamarind, chickpeas, coriander, potato, turmeric, sesame, and soya, among others. The company has a robust sourcing network across all major chilli-producing states, including Andhra Pradesh, Karnataka, Odisha, West Bengal, Maharashtra, Madhya Pradesh, and Gujarat. In FY24, 95% revenue was generated from exports, with the remaining 5% coming from the domestic market.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2024 (A)
Total operating income	786.22	893.08	798.12
PBILDT*	12.67	14.39	19.16
Profit after tax (PAT)	3.44	4.50	4.10
Overall gearing (x)	5.16	6.41	5.62
Interest coverage (x)	2.08	2.07	1.80

A: Audited; 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		-	-	-	0.10	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	22-May-2030	42.83	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Packing Credit in Foreign Currency		-	-	-	90.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-FBN / FBP		-	-	-	45.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	0.30	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Credit Exposure Limit		-	-	-	5.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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	0.10	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB; Stable (03-Apr-25)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (01-Mar-24)	1)CARE BB-; Stable (15-Mar-23)
2	Fund-based - LT/ ST-Packing Credit in Foreign Currency	LT/ST	90.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB; Stable / CARE A4 (03-Apr-25)	-	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (01-Mar-24)	1)CARE BB-; Stable / CARE A4 (15-Mar-23)
3	Fund-based - ST-FBN / FBP	ST	45.00	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4 (03-Apr-25)	-	1)CARE A4; ISSUER NOT COOPERATING* (01-Mar-24)	1)CARE A4 (15-Mar-23)
4	Non-fund-based - ST-	ST	0.30	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4 (03-Apr-25)	-	1)CARE A4; ISSUER NOT COOPERATING* (01-Mar-24)	1)CARE A4 (15-Mar-23)

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
	Bank Guarantee						(01-Mar-24)	
5	Non-fund-based - ST-Credit Exposure Limit	ST	5.00	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4 (03-Apr-25)	-	1)CARE A4; ISSUER NOT COOPERATING* (01-Mar-24)	1)CARE A4 (15-Mar-23)
6	Fund-based - LT-Term Loan	LT	42.83	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB; Stable (03-Apr-25)	-	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/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	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-Packing Credit in Foreign Currency	Simple
4	Fund-based - ST-FBN / FBP	Simple
5	Non-fund-based - ST-Bank Guarantee	Simple
6	Non-fund-based - ST-Credit Exposure Limit	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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