



## Press Release

**Nutrifresh Farm Tech India Private Limited (NFTIPL)**

**March 07, 2025**

### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	30.96 (Reduced from Rs.37.44 Crore)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Rating Upgraded	<a href="#">Simple</a>
Proposed Term Loans	100.00 (Enhanced from Rs.0.56 Crore)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Rating Upgraded	<a href="#">Simple</a>
Long Term Bank Facilities - Proposed	7.04	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	-	Assigned	<a href="#">Simple</a>
<b>Total</b>	<b>138.00</b> <b>(Enhanced from Rs. 38.00 Crore)</b> <b>(One Hundred Thirty- Eight Crore Only)</b>				

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

### Detailed Rationale

Infomerics Ratings has upgraded its rating assigned to the bank facilities of Nutrifresh Farm Tech India Private Limited which derive strength from long experience of promoter, established operations with increase in capacity and varieties, improved profitability leading to better scope of business, moderate debt coverage indicators. However, the rating is constrained due to geographical diversification, upcoming capex plans for which accruals are yet to materialise and highly fragmented and regulated nature of the industry.

The stable outlook reflects extensive experience of the promoter and established operations.



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### **Key Rating Sensitivities:**

#### **Upward Factors**

- Substantial improvement in revenue and/or profitability margins leading to sustained improvement in debt coverage indicators may lead to a positive rating action.
- Successful completion of capex with desired level of accruals

#### **Downward Factors**

- Any deterioration in revenue and/or profitability margin leading to deterioration in debt coverage indicators may lead to a negative rating action

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Long experience of promoter:**

Mr. Sanket Mehta and Mr. Ganesh Nikam are the directors of the company. Mr. Sanket started with open field sugarcane cultivation alongside Mr. Ganesh who came from an agrarian family. Mr. Sanket and Mr. Ganesh then ventured into the Floriculture business, scaled up open field farming to 250 acres and eventually started Hydroponic farming in 2019 with Nutrifresh Farms. Mr. Sanket leads the Sales and Marketing operations for Nutrifresh. Mr. Ganesh's deep agrarian experience has been the backbone for Nutrifresh Farms. Mr. Ganesh handles Finance and Operations at Nutrifresh.

##### **Established operations with increase in capacity and varieties:**

The company has around 53 acres of land with 80-90% capacity utilization, 7 manufacturing units in Pune. Nutrifresh team has developed SOPs for 42 SKUs of fruits, vegetables and leafy greens with an in-house team of agronomists. The seedlings are first grown in the in-house nursery and then shifted to the hydroponic farms



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### **Improved profitability leading to better scope of business:**

The company has registered a y-o-y growth of 59% in FY24 (period refers from April 01, 2023 to March 31, 2024) with a revenue of Rs. 96.82 crore in FY24 as against Rs. 60.87 crore in FY23 (period refers from April 01, 2022 to March 31, 2023). The revenue growth is directly attributed to the incremental overall farming capacity of the company over the years, increased market presence and varied product offering under Hydroponic farming model.

The EBITDA increased to Rs. 18.26 crore in FY24 as against Rs. 9.42 crore in FY23. the EBITDA margin improved by 344 bps to 18.86% in FY24 (as against 15.48% in FY23) with better price realization, optimum absorption of fixed cost coupled with overall increase in scale of operations. The PAT margin also improved to 8.89% in commensurate with EBITDA level.

### **Moderate debt coverage indicators:**

The overall gearing of the company stood at 2.79x as on March 31, 2024, as against 0.85x as on March 31, 2023 on account of fund raise through CCDs in September 2023 to the tune of Rs. 126.0 crore. The CCDs have been considered as debt as there is a put option at the end of 6 years, though they are subordinated to bank loans which provides comfort. The interest coverage also improved to 5.15x during FY24 as against 3.39x in FY23 led by healthy profitability levels. The company is proposing a capex of 187.48 crore to increase the area under farming from 53 acre to 113 acre. This will be funded by Debt:Equity mix of 54:46. The projected accruals from current operations to the tune of ~Rs. 35 crore per year are sufficient to service the existing and proposed bank loans comfortably. The projected DSCR is expected to remain above 3x times. However, successful execution of fresh capex as envisaged will remain a key credit monitorable.

### **Key Rating Weaknesses**

#### **Geographical Diversification:**

As vegetables and fruits are perishable items to keep it fresh, till FY24, Nutrifresh was supplying most of its produce majorly to Mumbai and Pune only. Now it has started its supplies to other cities as well.



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### **Highly fragmented and regulated nature of the industry**

The agro commodity sector is highly fragmented with presence of numerous small players and low entry barriers, which affects the overall returns/profits of the various players. Moreover, changes in Government regulations pertaining to the industry can impact the industry dynamics as the industry is highly regulated.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

### **Liquidity –Adequate**

The Company had a comfortable current ratio of 12.67x on March 31, 2024 improved from 1.41x as on March 31, 2023. The average utilisation of working capital limits was moderate at around 85% for the 12 months ended December 2024. The cash and cash equivalents of the company remained at Rs. 106.13 crore as on March 31, 2024 and December 31, 2024.

### **About the Company**

Nutrifresh Farm Tech (I) Private Limited was established in December 2019 in Pune. Mr. Sanket Mehta is Co-founder and CEO and Mr. Ganesh Nikam is Co-founder and CFO of the company. Nutrifresh is tech enabled Controlled Environment Agricultural (CEA) Company focused on Hydroponic Farming based in Pune, India. The company offers consistent, residue free produce year-round to India's leading quick commerce companies and modern trade retailers as well as sells direct to consumer in Mumbai and Pune market. Over the last three years of operations, the company has developed standard operating practices for over 42



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SKUs of fruits/vegetables/leafy greens and has developed a modular approach to farming delivering strong revenue growth while remaining profitable.

### Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	60.87	96.82
EBITDA	9.42	18.26
PAT	1.37	8.94
Total Debt	38.83	153.96
Adjusted Tangible Net Worth	45.93	55.15
EBITDA Margin (%)	15.48	18.86
PAT Margin (%)	2.24	8.89
Overall Gearing Ratio (x)	0.85	2.79
Interest Coverage (x)	3.39	5.15

\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** India ratings moved the rating to Issuer Not Cooperating category based on best available information vied PR dated July 08, 2024, in the absence of information provided by the company.

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (FY2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in FY2023-24	Date(s) & Rating(s) assigned in FY 2022-23	Date(s) & Rating(s) assigned in FY2021-22
					Date (January 16, 2024)	-	-
1	Term Loan I	Long Term	10.17	IVR BBB/Stable	IVR BBB-/Stable	-	-
2	Term loan II	Long Term	2.74	IVR BBB/Stable	IVR BBB-/Stable	-	-



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					Date (January 16, 2024)	-	-
3	Term loan III	Long Term	8.05	IVR BBB/Stable	IVR BBB-/Stable	-	-
4	Cash Credit	Long Term	10.00	IVR BBB/Stable	IVR BBB-/Stable	-	-
5	Proposed Term Loan	Long Term	100.00	IVR BBB/Stable	IVR BBB-/Stable	-	-
6	Proposed	Long Term	7.04	IVR BBB/Stable	-	-	-

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### About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.





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For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook
Term Loan I	-	-	-	September 2028	10.17	IVR BBB/Stable
Term loan II	-	-	-	September 2028	2.74	IVR BBB/Stable
Term loan III	-	-	-	December 2030	8.05	IVR BBB/Stable
Cash Credit	-	-	-	-	10.00	IVR BBB/Stable
Proposed Term Loan	-	-	-	-	100.00	IVR BBB/Stable
Proposed	-	-	-	-	7.04	IVR BBB/Stable

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-Nutrifresh-mar25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**



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**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

