

## S.P. Rice Exports Private Limited

July 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	16.14 (Enhanced from 13.14)	CARE BBB-; Negative	Reaffirmed
Short Term Bank Facilities	75.00	CARE A3	Assigned
Short Term Bank Facilities	82.00 (Enhanced from 66.00)	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities of S.P. Rice Exports Private Limited (SPREPL) reflects the stabilization of the company's operational and financial risk profile, supported by the consistent commitment of the promoters and absence of any significant deterioration in credit risk indicators. The ratings continue to derive comfort from the extensive experience of the promoters in the rice processing and export industry, their long-standing relationships with customers and suppliers, and the company's strategic location in a paddy-abundant region, enabling raw material availability and logistical advantages. The promoter group has also demonstrated financial flexibility by infusing support in the form of subordinated unsecured loans, which have been subordinated to bank debt and treated as quasi equity by lenders.

The ratings, however, remain constrained by the working capital-intensive nature of operations and high dependence on bank borrowings to fund seasonal procurement requirements. Additionally, the company remains exposed to the risks associated with fluctuations in raw material prices and foreign exchange rates, the regulatory environment governing rice exports, and climatic factors affecting paddy output. The competitive and fragmented nature of the industry, with low entry barriers, also puts pressure on profitability and pricing power.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Scaling up of operations, with operating income at group level beyond Rs. 1300 crores coupled with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin around 5% on sustained basis.
- Improvement in overall capital structure as reflected gearing level below 1.60 times on sustained basis.

#### Negative factors

- Decline in PBILDT margin below 3% on a sustained basis.
- Withdrawal of funds including unsecured loans treated as quasi equity leading to strain in liquidity.
- Deterioration in capital structure due to increasing reliance on working capital borrowing as reflected by overall gearing above 3.50 times.

### Analytical approach: Combined

CARE has taken combined approach while arriving at rating of G.V. (God Vishnu) Rice Exports Private Ltd (GVREPL) with S.P. Rice Exports Private Ltd (SPREPL). The combined approach of evaluation is taken to factor in the same nature of business, common promoter of the entities and financial flexibility within the group along-with mutual extension of corporate guarantee by GVREPL and SPREPL for each other's debt obligations as the entities are closely held with significant ownership and control by a common promoter/promoter family.

### Outlook: Negative

The outlook continues to remain 'Negative' on account of the leveraged capital structure, as reflected by a significant increase in total debt levels, primarily driven by enhanced working capital borrowings. This has led to a moderation in capital structure and key debt coverage indicators. While such elevated working capital requirements are common in the rice export industry due to seasonal procurement cycles and inventory holding, the reliance on external borrowings remains high. However, the company has reported healthy growth in scale of operations and profitability over the past two fiscals, with an improving trend projected to continue. Sustained improvement in accruals and strengthening of debt coverage metrics would be critical in supporting the overall credit profile. The outlook may be revised to 'Stable' if the company is able to sustain its scale of operations while maintaining profitability margins and improving its capital structure.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

## Detailed description of key rating drivers:

### Key strengths

#### Improving Scale of operations and profitability margins at group level

The group reported revenue from operations of Rs. 955.74 crore in FY25 (UA) as against Rs. 881.22 crore in FY24 (Audited), after adjusting for inter-company sales of Rs. 81.25 crore for FY25. This growth is supported by the full-year operationalization of SPREPL, which contributed Rs. 349.70 crore in FY25, while GVREPL contributed Rs. 687.27 crore. The PBILDT margin for FY25 stood at 5.83% (Rs. 51.66 crore), largely in line with 5.86% (Rs. 55.76 crore) in FY24, which is backed by Advance Tax of Rs. 8.20 crore paid by the group for FY25. However, the PAT margin improved to 2.60% in FY25 from 2.18% in FY24, primarily due to a reduction in interest costs. This reduction in interest costs, in spite of increase in working capital borrowings, was on account of timely payment to creditors. Gross cash accruals (GCA) improved to Rs. 29.22 crore in FY25 from Rs. 23.45 crore in FY24. Despite the growth, cash flow from operations remained negative in FY25 owing to increased inventory buildup due to the seasonal nature of paddy procurement and payments made towards creditors amounting to approximately Rs. ~ 90 crores.

Going forward, the group's revenue is estimated to grow further in the medium term, driven by the ongoing expansion in the scale of operations of SPREPL as well as overall growth at the group level, while profitability margins are expected to remain moderate, as rice is an agricultural commodity with relatively stable prices to ensure food security for the larger population.

#### Favourable manufacturing location

The group's milling operations are strategically clustered in Taraori, Haryana—one of India's key rice-producing belts—which ensures uninterrupted access to quality paddy sourced primarily from the states of Haryana and Punjab. GVREPL operates three milling units in the region with a combined capacity of 16 MT/hour for milling and 9 MT/hour for sorting. Additionally, SPREPL commenced independent operations in November 2023 with a milling capacity of 12 MT/hour at its own facility in the same locality. The region's well-established grain markets enable timely procurement at competitive prices, contributing to operational efficiency. Furthermore, the group benefits from the presence of numerous small-scale rice millers in the vicinity, providing operational flexibility to manage seasonal surges in demand or address capacity constraints without major disruptions.

#### Established business relationship with customers and suppliers albeit customer concentration risk

GVREPL has built a strong export-oriented profile over the years, with 8 out of its top 10 customers being overseas buyers, underscoring its significant international presence. Although the company continues to derive a sizeable share of its revenues from a concentrated group of clients—top 10 customers contributing ~79% in FY24 and ~66% in FY25—it has demonstrated the ability to cater to both international and domestic markets. On the other hand, SPREPL, being in the early stages of scaling up operations, currently exhibits a higher degree of customer concentration. In FY25, its top 10 customers contributed over 80% of total revenues, with a dominant share (₹245.69 crore or ~71%) coming from a single overseas customer—Shameem Gulbahar for General Trading. This reliance exposes SPREPL to heightened counterparty risk, although the customer's scale and export potential offer near-term revenue visibility. Over time, diversification of the customer base would be critical to mitigating concentration-related vulnerabilities.

#### Experienced and Resourceful Promoters with Long Track Record of Operations

The group derives strength from its experienced promoter family, which has been engaged in the rice milling and export business for nearly four decades through the erstwhile partnership firm G.V. (God Vishnu) Rice Export Unit, now operating as a private limited company. The business is managed by the third generation, led by Mr. Pramod Kumar, Mr. Vinit Kumar, Ms. Nirmal Devi, and Mr. Ashish Bansal, with active involvement of Mr. Chuneet Bansal and Mr. Abhishek Bansal. The promoters have consistently demonstrated financial support towards the business. As on March 31, 2024, the total unsecured loans from promoters stood at Rs. 71.82 crore, all of which were subordinated to bank borrowings. During FY25, an additional Rs. 5.08 crore of capital was infused, and as per the projected financials, a further infusion of Rs. 2 crore is envisaged to be infused in FY26, highlighting the promoters' continued resourcefulness and commitment to the group's financial stability.

### Key weaknesses

#### Capital Structure Moderation due to Higher Working Capital Requirements

The group's capital structure remains moderate but has witnessed some deterioration in FY25 due to increased reliance on working capital borrowings. Total debt rose to ₹371.52 crore in FY25 (Provisional) from ₹265.84 crore in FY24, primarily driven by higher inventory holding during the peak paddy procurement season and the first full year of operations at S.P. Rice Exports Private Limited (SPREPL). This led to an increase in average inventory days from 98 to 128 and elongation of the operating cycle from 120 days in FY24 to 171 days in FY25. Consequently, overall gearing increased to 2.86x as on March 31, 2025 (PY: 2.53x).

Nevertheless, debt coverage indicators remained at a moderate level, supported by an improvement in PBILDT to ₹55.76 crore (PY: ₹51.66 crore) and a reduction in interest expenses, resulting in an improved interest coverage ratio of 2.79x in FY25 (PY: 2.22x), partially mitigating the impact of higher debt.

**Working Capital Intensive Nature of Operations**

The operations of the group remain working capital intensive due to the seasonality of paddy procurement and high inventory holding requirements, especially during peak procurement months. This is further evidenced by the increase in operating cycle to 171 days in FY25 from 120 days in FY24, and a rise in average inventory days to 128 (PY: 98 days) in FY25. As a result, cash flows from operations remained negative at Rs. 91.32 crore in FY25. The group's dependence on external working capital borrowings, which stood at Rs. 358.13 crore as on March 31, 2025, underscores the liquidity pressure during the procurement season.

**Susceptibility of margins to fluctuation in raw material prices & foreign exchange rates, with prospects also dependent on climatic conditions**

The group's profitability remains vulnerable to fluctuations in the price of paddy, which is the key raw material. Being an agro-commodity, paddy prices are closely linked to monsoon performance and climatic variability, which can impact yield, availability, and procurement cost. Despite current expectations of a favourable monsoon and healthy paddy output in FY26, past volatility in raw material pricing continues to pose a structural risk. Additionally, the group derives a significant portion of revenue from exports of Basmati rice to Middle Eastern countries, where sales are denominated primarily in USD. While the company partially mitigates currency fluctuation risk through packing credit facilities and forward contracts, it does not hedge its entire exposure, leaving profitability margins susceptible to adverse forex movements. Given the backdrop of declining export realizations in the global Basmati market, this exchange rate risk becomes even more pertinent.

**Vulnerability of international trade to changes in government policies**

The rice processing and export sector remains heavily influenced by domestic and international policy decisions. On the input side, the procurement price of paddy is regulated by the Government of India under the Minimum Support Price (MSP) mechanism, limiting millers' ability to negotiate raw material rates, particularly during peak harvest seasons. On the output side, export-related restrictions or duties imposed by importing countries can materially affect volumes and margins. While recent policy liberalization—such as the removal of the broken rice export ban and easing of export duties—has revived momentum in global markets, the sector remains exposed to the risk of policy reversal or geopolitical events that could disrupt trade routes and demand. For instance, the group's reliance on exports to the Middle East makes it vulnerable to regional tensions and evolving trade norms.

**Competitive & fragmented nature of industry coupled with high level of government regulation**

The rice industry is characterized by intense competition due to its fragmented structure and low product differentiation. The group operates in a region densely populated by both organized and unorganized rice millers, many of whom engage in aggressive pricing practices. This results in limited pricing power and pressure on margins. Additionally, despite possessing modern infrastructure and export capabilities, the group must continually navigate a regulatory-heavy environment where compliance requirements, food safety standards, and documentation norms are subject to periodic revisions. Sustaining profitability in such an environment requires continuous operational efficiency, quality control, and adaptability to shifting regulatory expectations both domestically and abroad.

**Liquidity: Adequate**

The group has earned gross cash accruals (GCA) of Rs. 29.22 crore during FY25 and is expected to generate GCA in the range of Rs. 28–31 crore annually over FY26–FY28, against modest annual debt repayment obligations of ~Rs. 2 crores. The current ratio and quick ratio stood at 1.26x and 0.53x, respectively, as on March 31, 2025, compared with 1.20x and 0.57x as on March 31, 2024. The liquidity profile remains constrained due to the working capital-intensive nature of operations, with a significant portion of funds blocked in inventory, leading to a continued sub-unity quick ratio. The operating cycle elongated to 171 days in FY25 from 120 days in FY24. Despite this, the average working capital utilization remained moderate at ~68.23% at the group level over the 12 months ended May 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](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Short Term Instruments](#)
[Consolidation](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products

S.P. Rice Exports Private Limited (SPREPL) was incorporated in October 23, 2020, is a group company of G.V. (God Vishnu) Rice Exports Private Limited (GVREPL). SPREPL is managed by Mr Promod Kumar, Mr Vineet Kumar and Mr Ashish Bansal in the capacity of directors and holding equity in equal proportion. Group is a well-known name in the processing of rice which includes milling, sorting, grading and exporting of traditional Basmati rice, 1121 Basmati rice, Pusa Basmati rice and Sharbati Rice majorly catering countries like Dubai, Canada, Australia, Iraq, Jordan, etc. GVREPL has three milling facilities situated in Tarori (Haryana) having installed capacity of 16 MT per hour for milling and 9 MT per hour for sorting whereas SPREPL has recently commenced its operations from November 2023 in its sole manufacturing unit having installed capacity of 12 MT per hour for milling and 6 MT per hour.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	634.35	881.22	955.74
PBILDIT	25.24	51.66	55.76
PAT	11.84	19.22	24.89
Overall gearing (times)	1.85	2.53	2.86
Interest coverage (times)	2.43	2.22	2.79

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

\*The above financials have been combined for G.V. (God Vishnu) Rice Exports Private Limited & S.P. Rice Exports Private Limited.

**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	-	-	-	-	4.00	CARE BBB-; Negative
Fund-based - LT-Term Loan	-	-	-	31-12-2027	12.14	CARE BBB-; Negative
Fund-based - ST-PC/Bill Discounting	-	-	-	-	81.00	CARE A3
Fund-based - ST-Working Capital Limits	-	-	-	-	75.00	CARE A3
Non-fund-based - ST-Forward Contract	-	-	-	-	1.00	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-Term Loan	LT	12.14	CARE BBB-; Negative	-	1)CARE BBB-; Negative (25-Jun-24)	1)CARE BBB-; Stable (29-Feb-24)	-
2	Fund-based - ST-PC/Bill Discounting	ST	81.00	CARE A3	-	1)CARE A3 (25-Jun-24)	1)CARE A3 (29-Feb-24)	-
3	Fund-based - LT-Cash Credit	LT	4.00	CARE BBB-; Negative	-	1)CARE BBB-; Negative (25-Jun-24)	1)CARE BBB-; Stable (29-Feb-24)	-
4	Non-fund-based - ST-Forward Contract	ST	1.00	CARE A3	-	1)CARE A3 (25-Jun-24)	1)CARE A3 (29-Feb-24)	-
5	Fund-based - ST-Working Capital Limits	ST	75.00	CARE A3				

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	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-PC/Bill Discounting	Simple
4	Fund-based - ST-Working Capital Limits	Simple
5	Non-fund-based - ST-Forward Contract	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE 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

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Puneet Kansal Director <b>CARE Ratings Limited</b> Phone: +91-12-0445 2018 E-mail: <a href="mailto:puneet.kansal@careedge.in">puneet.kansal@careedge.in</a></p> <p>Akhil Kumar Associate Director <b>CARE Ratings Limited</b> Phone: +91-12-0445 1986 E-mail: <a href="mailto:akhil.kumar@careedge.in">akhil.kumar@careedge.in</a></p> <p>Vaidhai Jain Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Vaidhai.jain@careedge.in">Vaidhai.jain@careedge.in</a></p>
--	--

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CARE and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**