

Rai Bahadur Narain Singh Sugar Mills Limited

November 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	4.98	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	275.02	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable / CARE A4+ and 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

Rai Bahadur Narain Singh Sugar Mills Limited (RBNS) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Ltd.'s (CareEdge Ratings) rating on RBNS's bank facilities will now be denoted as **CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING***.

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

The downgrade in the ratings assigned to the bank facilities of RBNS due to a moderation in operational performance during FY25 (refers to April 01 to March 31) coupled with elongation in the working capital cycle of the company. The ratings are also constrained on account of average financial risk profile marked by moderation in capital structure owing to higher working capital borrowings as on March 31, 2025. The ratings also take cognizance of susceptibility to volatility in raw material prices and presence in competitive & cyclical nature of industry. However, the ratings draw comfort from experienced promoters and established track record of operations.

Analytical approach: Standalone

Outlook: Stable

"Stable" outlook reflects CareEdge Ratings opinion that RBNS will continue to derive benefit from its long-standing experience of promoters in the industry.

Detailed description of key rating drivers:

At the time of last rating on January 17, 2025, the following were the rating strengths and weaknesses (updated for the information available from provisional financials received from the company).

Key weaknesses

Moderate operational performance

The total operating income (TOI) of the company moderated by ~24% during FY25 to Rs. 511.13 crore. Further, the profitability margins as reflected by PBILDT and profit after tax margin stood moderate at 6.61% and 3.14%, respectively, in FY25 as against 11.11% and 6.78%, respectively, in FY24. Additionally, the company achieved operating income of ₹204.08 crore in Q1FY26 (refers to the period April 01 to June 30).

Working capital intensive nature of operations

The operating cycle of the company is capital intensive in nature as reflected by the elongated operating cycle mainly due to high inventory levels during March. Owing to the seasonality, the entity has to maintain a suitable raw material inventory to ensure uninterrupted supply throughout the year. The operating cycle of the company increased to 253 days as on March 31, 2025, from 164 days as on March 31, 2024. Inventory holding period was high at 280 days in FY25 (PY: 190 days).

Average Financial risk profile

The overall gearing of the company stood moderate at 0.99x as on March 31, 2025, slightly deteriorated from previous year mainly due to increased reliance on external debt. The net-worth base stood comfortable at ₹266.13 crore as on March 31, 2025.

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

Further, the debt coverage indicators as marked by interest coverage ratio (ICR) stood at 4.95x as on March 31, 2025 (PY: 12.11x), due to decreased profitability during the year and total debt to gross cash accruals (TDGCA) stood at 9.60x as on March 31, 2025.

Risk associated with dynamic nature and regulated nature of the sugar industry

Sugarcane is the primary raw material for producing sugar and related products. Its availability and yield are influenced by factors such as rainfall, temperature, soil conditions, demand-supply dynamics, and government policies. The production of sugarcane, and consequently sugar, follows a cyclical pattern. This cyclical and seasonal nature of the industry significantly affects the profitability and sustainability of sugar mills. The sugar industry is cyclical and heavily influenced by government policies due to its classification as an essential commodity in the Wholesale Price Index (WPI). The government implements various regulations, such as setting raw material prices through State Advised Prices (SAP) and Fair & Remunerative Prices (FRP). CARE Ratings believe these factors affect sugarcane cultivation patterns across the country, thereby impacting the profitability of sugar companies.

Susceptibility of profitability to volatility in material prices

The profitability of the sugar industry is highly susceptible to volatility in material prices, particularly the cost of raw sugarcane. Fluctuations in sugarcane prices can be driven by various factors such as weather conditions, government policies, and global market demand. When sugarcane prices rise, production costs increase, squeezing profit margins for sugar manufacturers. Conversely, a drop in sugarcane prices can enhance profitability, provided other costs remain stable. Additionally, the sugar industry often faces challenges from fluctuating energy prices and transportation costs, which further impact overall profitability.

Key strengths

Integrated business model and diversified revenue stream

The company's forward diversification into cogeneration and distillery segments mitigates risks associated with its core sugar business. RBNS operates manufacturing units for both sugar and ethanol. The company boasts an installed capacity of 11,000 tons per day (TPD) for sugar production, 120 kilo liters per day (KLPD) for its distillery operations, and a cogeneration powerplant of 29.6 MW capacity which uses bagasse as input. The distillery plant commenced operation in December 2014 and cogeneration power plant has been operational since 2006.

Extensive experience of promoters in the industry

Incorporated in November 1932, RBNS has a long track record of operations of more than 80 years in production of sugar. The company began its operations with an installed crushing capacity of 400 tons of cane per day (TCD) in 1934. Over the years, the company has increased its crushing capacity to 11000 TCD as on March 31, 2025. The company is promoted by Hardev Singh Akoi, who has more than 40 years of experience in the corporate world and is the chairman of the company. Further, Adil Singh Akoi, son of Hardev Singh Akoi and managing director of the company, has more than 21 years of experience and looks after the day-to-day operations of the company.

Liquidity: Stretched

The company's liquidity is stretched as marked by gross cash accruals of ₹27.50 crore as on March 31, 2025, and debt repayment obligation of ~₹12 crore in FY26. As of March 31, 2025, the current ratio and quick ratio stood at 1.34x and 0.07x, respectively (PY: 1.49x and 0.17x, respectively). The average utilization for the trailing twelve months ending October 2025 remains at ~30% with the funds being fully utilized during peak season. The unencumbered cash and bank balance was ₹1.97 crore as of March 31, 2025.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default](#)

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

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Sugar Sector](#)

[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	Agricultural Food & other Products	Sugar

RBNS was incorporated as a private limited company in November 1932 by Shri Rai Bahadur Narain Singh. The company was converted to public limited in May 1956. Presently, Hardev Singh Akoi, great grandson of Shri Rai Bahadur Narain Singh, is the chairman of the company and Adil Singh Akoi, son of Hardev Singh Akoi is the managing director of the company. RBNS was incorporated to set up a sugar manufacturing unit. RBNS also has a distillery and a cogeneration power plant which uses bagasse as input.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (P)	Q1FY26 (UA)
Total operating income	676.15	511.13	204.08
PBILDT	75.14	33.79	11.43
PAT	45.82	16.06	2.88
Overall gearing (times)	0.56	0.99	NA
Interest coverage (times)	12.11	4.95	NA

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

Status of non-cooperation with previous CRA: India Ratings has continued the ratings assigned to the bank facilities of Rai Bahadur Narain Singh Sugar Mills Limited into 'Issuer not-cooperating' category vide press release dated February 11, 2025, on account of non-availability of requisite information from the company.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	March 2026	4.98	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Cash Credit	-	-	-	-	275.02	CARE BB; Stable / 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	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Oct-24) 2)Withdrawn (14-Oct-24) 3)CARE D; ISSUER NOT COOPERATING* (24-Apr-24)	-	1)CARE D; ISSUER NOT COOPERATING* (01-Feb-23) 2)CARE BB+; Stable; ISSUER NOT COOPERATING* (25-Apr-22)
2	Fund-based - LT-Term Loan	LT	4.98	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (17-Jan-25)	-	-
3	Fund-based - LT/ST-Cash Credit	LT/ST	275.02	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (17-Jan-25)	-	-

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

LT: Long 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-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	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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