

Kartyayani Rice Mill_Proprietor Hari Krishna Sabata

December 02, 2025

Facilities	Amount (₹ crore)	Ratings ¹	Rating Action
Long-term bank facilities	26.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category
Long-term / Short-term bank facilities	1.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB-; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category

Details of facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Kartyayani Rice Mill_Proprietor Hari Krishna Sabata (KRM) to monitor the ratings vide e-mail communications dated September 01, 2025, November 26, 2025, among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the ratings on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further, KRM has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on KRM's bank facilities will now be denoted as CARE B+; 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 ratings have been revised on account of lack of clarity on future growth strategy and inability to monitor the performance of the firm, which is critical for assessing the credit risk profile of the firm. The ratings continue to remain constrained by its small scale of operation with low net worth base, proprietorship nature of constitution, leveraged capital structure and moderate debt protection metrics, project implementation risk, regulatory nature of business and exposure to vagaries of nature.

The aforesaid constraints are partially offset by the experienced promoters, growing scale of operation with satisfactory financial performance in FY24 (refers to the period April 1 to March 31), proximity to raw material sourcing and increased focus on export markets albeit forex fluctuation risk.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on November 18, 2024, the following were the rating strengths and weaknesses:

Key weaknesses

Small scale of operation with low net worth base

TOI of the firm has grown at a CAGR of 34.54% from Rs.18.62 crore in FY20 to Rs.82.08 crore in FY24. However, the scale continues to remain small. Also, the tangible net worth of KRM stood low at Rs.5.26 crore while the total capital employed stood at Rs.20.79 crore as on March 31, 2024. The small scale restricts the financial flexibility of the firm at time of stress.

Proprietorship nature of constitution

KRM, being a proprietorship nature of business, is exposed to inherent risk of withdrawal of capital by the proprietor at the time of his personal contingency and the entity being dissolved upon the death/ retirement of the proprietor. Furthermore, proprietorship entity has restricted access to external borrowings as credit worthiness of the proprietor would be amongst the key factors affecting the credit decision of the lenders.

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

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

Leveraged capital structure and debt protection metrics

The capital structure of the firm has remained leveraged marked by overall gearing of 2.95x as on March 31, 2024, on account of high utilisation of its fund-based limits vis-à-vis low net worth base of Rs.5.26 crore as on March 31, 2024. Interest coverage ratio has remained stable at 2.35x in FY24 as against 1.87x in FY20. TDGCA has however, moderated to 10.31x as on March 31, 2024, as against 9.48x as on March 31, 2020.

Project implementation risk

The entity is setting up another rice processing unit which would increase the existing capacity by 8 ton per day at an estimated cost of Rs.2.22 crore. Around 90% will be financed from bank and 10% would be funded from promoter contribution/internal accruals. The firm has applied for availing the loan under the government scheme of NAIFF (National agriculture infra financing facility) registered under NABARD. However, the financial closure has not yet been achieved. Accordingly, the project implementation risk exits.

Regulatory nature of business and exposure to vagaries of nature

The Government of India (GOI), every year decides a minimum support price (MSP) to be paid to paddy growers which limits the bargaining power of rice millers over the farmers. The Centre hiked the minimum support price for kharif crops by 7% for the 2023-24 crop year, with paddy MSP being raised by Rs 143 to Rs 2,183 per quintal, a move aimed at encouraging farmers to bring more area under cultivation and boost their income. The sale of rice in the open market is also regulated by the government through levy of quota, depending on the target laid by the central government for the central pool. Given the market determined prices for finished product vis-à-vis fixed acquisition cost for raw material, the profit margins are highly vulnerable. Also, paddy cultivation is highly dependent on monsoons, thus exposing the fate of the firm's operation to vagaries of nature. Further for FY25, the government hiked the minimum support price for kharif crops with common paddy (Common) MSP being raised to Rs.2300 per quintal from Rs.2183 per quintal and Rs.2320 per quintal from Rs.2203 per quintal for Grade A paddy for FY25.

Key strengths**Experience promoters**

KRM is into milling of rice since 1991 and thus has nearly about three decades of track record of operations. The day-to-day operation of the firm is being managed by Mr. Hari Krishna Sabat, having around 3 decades of experience in this industry, along with his two sons Mr. Sriram Sabat, aged 37 having experience of 10 years and Sridhar Sabat, aged 32 having experience of 12 years in this industry.

Satisfactory financial performance

TOI of the entity has grown at a CAGR of 34.54% from Rs.18.62 crore in FY20 to Rs.82.08 crore in FY24. However, the scale continues to remain small. The growth can be attributed to long-term association with its existing clients as well as building up of new clientele base. However, the operating margin has moderated over the years from 5.83% in FY20 to 4.02% in FY24 on account of increase in operational cost. PAT margin has witnessed improvement over the years from 0.75% in FY20 to 1.10% in FY24, despite increase in capital costs, on account of increase in PBILDT levels.

Proximity to raw material sources and favourable industry scenario

KRM's plant is located in the Ganjam district which is in the midst of paddy growing state i.e. Odisha. The entire raw material requirement is met locally from local agent or traders and also to a small extent from local farmers which helps the entity to save a substantial amount of transportation cost and also procure raw materials at effective prices. Further, rice being a staple food grain with India's position as one of the largest producer and consumer, demand prospects for the industry is expected to remain good in near to medium term.

Increased focus on export markets albeit forex fluctuation risk

The entity has increased its focus on export market. The entity exports its product to Vietnam, South-east Asian countries and some part of Africa. Though, the export turnover reduced in H1FY25 due to some ban imposed by Government on export of certain varieties of rice, however, with the removal of that ban in the month of October 2024, the entity expects its exports to pick up again.

The entity does exports majorly on the basis of documents (bill of lading) and some are against advance payments. Forex risks are hedged to the extent of the forward contract limit of Rs.4 lakh. Majority of the forex transactions remain open or unhedged exposing the entity to forex fluctuation risk.

Liquidity: Stretched

Liquidity of the entity has been marked stretched on account of high utilisation of its fund-based limit along with moderate debt repayment obligations. The average fund-based working capital utilisation level stood at around 94% during the last 11 months period ended September 2024. In FY25, the firm has a debt repayment obligation of around Rs.0.37 crore against which the firm is expected to generate sufficient cash accruals. As maintained by the proprietor, any shortfall in debt repayment would be funded by the proprietor.

Applicable criteria

[Definition of Default](#)

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

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

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

KRM, founded in the year 1991, promoted by Hari Krishna Sabat was initially setup for custom milling to supply rice to Indian government and then gradually started to pack variety of quality rice under its own brand (KRM) for domestic sale. The milling unit of KRM is located at Sapuapalli of Ganjam district in Odisha with a paddy processing capacity of 2,88,000 quintal per annum. In 2020, the entity started exporting to grow its scale of operation.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	59.87	82.08	31.58
PBILDT	2.35	3.30	NA
PAT	0.63	0.91	NA
Overall gearing (times)	3.27	2.95	NA
Interest coverage (times)	2.84	2.35	NA

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

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 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-Cash Credit		-	-	-	23.12	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2028	2.88	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	1.00	CARE B+; 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	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	1.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable / CARE A4 (18-Nov-24)	-	-
2	Fund-based - LT-Cash Credit	LT	23.12	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (18-Nov-24)	-	-
3	Fund-based - LT-Term Loan	LT	2.88	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (18-Nov-24)	-	-

*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 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	Non-fund-based - LT/ 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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