

Krish Cereals Private Limited (Revised)

February 03, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	23.00	CARE BB-; Stable	Upgraded from CARE B; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the long-term rating of the bank facilities of Krish Cereals Private Limited (KCPL) factors in improvement in the profitability margins leading to increased accrual generation from the business in FY26 till date i.e. January 15, 2026, along with strengthening of the capital structure and improvement in debt coverage indicators during FY25 (refers to the period from April 01, 2024 to March 31, 2025) owing to USL being treated as quasi equity leading to increase in net worth of the company significantly.

The rating continues to be constrained by susceptibility to raw material price volatility, elongated operating cycle, and fragmented and highly regulated nature of the industry. However, the rating derives strength from the long track record of operations, experienced promoters, favourable location of operations, and established relationships with customers and suppliers.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in the total operating income above ₹300 crore with sustained increase in PBILDT margins on a sustained basis.
- Improvement in Interest coverage Ratio above 1.75 on a sustained basis

Negative factors

- Decline in the operating income below ~₹200 Crores with PBILDT margins deteriorating below ~1% on a sustained basis.
- Any major debt funded capex resulting in deterioration of capital structure with overall gearing deteriorating further beyond 3x from increased working capital reliance or debt funded capex.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects the ability of the company to able to benefit from experienced and resourceful promoters with long track record of operations in the rice industry and favourable manufacturing location along with established business relationship with customers and suppliers.

Detailed description of key rating drivers:

Key weaknesses

Moderate operational risk profile though improving during current year

KCPL reported a marginal improvement in scale of operations with total operating income of ₹244.46 crores in FY25 (refers to the period from April 01, 2024 to March 31, 2025) against ₹241.98 crores in FY24 (refers to the period from April 01, 2023 to March 31, 2024) on account of increase in sales volume. The company booked TOI of ₹161.64 crore till January 15, 2026 and is expecting to achieve ₹270 crore in FY26 basis 35-40% revenue being booked in last quarter of the financial year.

Further, KCPL profitability margins remained stable, as marked by PBILDT margin of 1.29% in FY25 as against 1.31% in FY24. PAT Margin stood at 0.19% during FY25 (FY24:0.15%). The profitability remained low largely owing to limited value addition. The company has achieved PBILDT margin of 2.01% and PAT margin of 0.96% till January 15, 2026, on account of sale of higher-quality rice varieties, which command better realizations in the market.

Working capital intensive nature of operations

The average operating cycle remained slightly elongated at ~71 days during FY25 (PY-69 Days) on the back of elongation of collection period to 77 days (PY:73 days) partially offset by increase in credit period from suppliers to 91 days (PY:72 days). Inventory levels were elevated at year end due to significant paddy procurement during the harvest season, when fresh arrivals

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

are at their peak and prices are favourable. Raw material availability typically declines after March/April, and the company builds up paddy stocks to ensure uninterrupted milling operations in the subsequent months.

Exposure to regulatory risks and raw material price volatility

The rating remains constrained by the fragmented and highly regulated nature of the rice milling industry and the company's susceptibility to volatility in raw material prices. Paddy and rice prices are subject to government interventions aimed at safeguarding farmers' interests, with frequent policy changes relating to export restrictions, export duties and minimum export prices posing inherent risks for rice processors. Further, paddy being a seasonal and monsoon-dependent Kharif crop exposes the company to supply-side constraints and price volatility arising from unpredictable weather conditions, which can impact availability, output and margins.

Key strengths

Improvement in capital structure and net worth

The capital structure of the company improved significantly during FY25, as reflected by the overall gearing of 1.06x as on March 31, 2025 (PY:1.83x). KCPL has a moderate net worth base of ₹25.90 crore (PY: ₹18.28 crore), the improvement from accretion of profits to reserves as well as treatment of unsecured loans from directors of ₹8.16 crore as quasi equity. Gross cash accruals (GCA) improved significantly during current year i.e. ₹1.78 crore as on January 15, 2025 against nil repayment as all term debt outstanding and further WHR facilities have been closed.

The debt protection metrics of the company improved though remained moderate as evident from interest coverage ratio of 1.44x as against interest coverage ratio of 1.35x. The overall debt levels declined during FY25, from unsecured loans from directors of ₹8.16 crore being treated as quasi equity. The working capital debt increased during FY25 due to availing warehousing receipt (WHR) facility of ₹10 crore from L&T finance for six months which was outstanding at ₹4.29 crore as on March 31, 2025, though it has been closed in June'2025.

Experienced promoters with long track record of operations in the rice industry

The operations are managed by Mr. Kamal Singla and Mr. Dinesh Kumar, having experience of more than half a decade in the rice industry through their association with the company. An experienced team of professionals manage day-to-day operations.

Favourable manufacturing location along with established business relationship with customers and supplier

The company's manufacturing units are located in Nissing (Karnal, Haryana), which is a hub for paddy, and has led to development of long-term relationships with the suppliers and therefore easy procurement of raw materials. On the customer side, long track record has enabled the company to establish strong business relationships with its clientele in the market, which in turn leads to repeat orders.

Liquidity: Stretched

The working capital utilisation has remained fully utilised for last 12 months ending January 2026. The cash and cash equivalents of the company remained low at ₹0.03 crores as on March 31, 2025. The expected GCA for FY26 is at ~₹2.01 crores against which there is no repayment as the company doesn't have any long-term debt outstanding as on date. The company is not planning to incur any major capex in the near to medium term.

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](#)

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

Krish Cereals Private Limited (KCPL) is engaged in the business of milling and processing of basmati rice. The company is also engaged in the procurement of semi-processed rice from the market which is further processed through colour sorter and grading

machines to remove the impurities. The company has an installed manufacturing capacity of 16 metric tonnes per hour in Nissing (Karnal, Haryana). The operations of KCPL are presently being managed by Mr. Kamal Singla and Mr. Dinesh Kumar.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	January 15, 2026 (UA)
Total operating income	241.98	244.46	161.64
PBILDT*	3.17	3.15	3.26
Profit after tax (PAT)	0.37	0.45	1.55
Overall gearing (x)	1.83	1.06	NA
Interest coverage (x)	1.35	1.44	2.13

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: CRISIL has reaffirmed the rating for the long-term bank facilities, under 'ISSUER NOT COOPERATING' category vide PR dated June 19, 2025 due to non-submission of information and lack of management cooperation.

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		-	-	-	23.00	CARE BB-; Stable

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	23.00	CARE BB-; Stable	-	1)CARE B; Stable (06-Feb-25)	1)CARE B; Stable (10-Jan-24)	1)CARE C; Stable (06-Feb-23) 2)CARE B; Stable (05-Apr-22)

LT: Long 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

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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