

P. D. R. D. Rice Mills Private Limited

March 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	2.00	CARE BB+; Stable	Assigned
Long Term / Short Term Bank Facilities	82.00 (Enhanced from 70.00)	CARE BB+; Stable / CARE A4+	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B+; Stable / CARE A4

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

In the absence of minimum information required for the purpose of rating, CARE Ratings Ltd. (CARE) was unable to express an opinion on the rating of P. D. R. D. Rice Mills Private Limited and in line with the extant SEBI guidelines, CARE revised the rating of bank facilities of the company from 'CARE BB; Stable/ CARE A4' to 'CARE BB-; Stable/ CARE A4; ISSUER NOT COOPERATING' and subsequently revised the rating to 'CARE B+; Stable/ CARE A4; ISSUER NOT COOPERATING'. However, the company has now submitted the requisite information to CARE. Accordingly, CARE has carried out a full review of the rating and the rating is revised to 'CARE BB+; Stable/ CARE A4+'.

The revision in rating assigned to P. D. R. D. Rice Mills Private Limited is on account of improvement in leverage and debt coverage indicators amid steady improvement in profitability margins.

The rating is constrained by moderation in scale of operations over the last few years amid several export restrictions imposed by GOI between FY23 and FY25, leveraged capital structure amid low net worth base and moderate debt coverage indicators, presence in highly competitive & fragmented industry, foreign exchange fluctuation risk, working capital intensive nature of operations and government regulations & Agro-Climatic risk. The rating however derives strength from experienced promoters with long track record of operations, strong presence in exports market and diversified customer base with low counter party risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistent increase in scale of operations resulting in total operating income of more than Rs. 400 crores while maintaining operating profit margins.
- Maintaining overall gearing of below 2.00x on a sustained basis

Negative factors

- Significant dip in scale of operations with moderation in profitability margin marked by PBILDT margin of less than 2.50% on sustained basis.
- Adverse changes in import policies of key importing countries affecting the prices of non- basmati rice and profitability of the company.

Analytical approach: Standalone

Outlook: Stable

The company is expected to grow its scale of operations in near medium term with strong presence in exports market.

Detailed description of key rating drivers:

Key weaknesses

Moderation in scale of operations albeit steady improvement in profitability margins over the last few years: The Total Operating Income (TOI) of the company moderated from Rs. 232.42 crore in FY22 to Rs. 202.53 crore in FY25. The moderation in the scale of operations was mainly on account of moderation in export sales due to several restrictions imposed by GOI on rice exports in FY23-FY25 leading to low capacity utilization. PBILDT and PAT margin has steadily improved from 2.49% and 1.29% in FY22 to 3.44% and 1.84% in FY25 amid execution of orders from government.

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

In 9MFY26, the company has been able to generate a TOI of Rs. 195.09 crore and achieved a PBILDT margin of 3.10% with sales driven by increasing exports (Rs. 157.90 crore) post lifting of restrictions.

Leveraged capital structure amid low net worth base and moderate debt coverage indicators: Although overall gearing has improved from 4.45x as on Mar 31, 2022 to 1.51x as on Mar 31, 2025 amid steady increase in net worth base and low utilization of WC limit as on balance sheet date, however capital structure continue to be leveraged amid low net worth base of Rs. 26.01 crore. The coverage indicators, though moderate, marked by interest coverage and Total Debt to GCA stood at 3.25x and 8.42x in FY25 as against 4.35x and 17.48x in FY22 respectively.

Presence in highly competitive & fragmented industry: PRMPL operates in a highly competitive fragmented rice industry due to the presence of several organized and unorganized players which puts pressure on margins. This is however mitigated to a certain extent due to long standing presence of promoters in processing/export of rice. The firm is exposed to risks related to changes in political or economic conditions of the export countries. Any slowdown in the economic conditions may impact the flow of orders.

Foreign exchange fluctuation risk: While the company has export receivables and sources input domestically it is exposed to foreign exchange fluctuations. To mitigate this, the entity has availed forward contract facility from banks. The company fully hedges its export receivables through forward contracts. The company reported foreign exchange gain of Rs. 1.50 crores in FY25 (PY: Rs. 1.41 crore).

Working capital intensive nature of operations: The operations remain inherently working capital intensive, reflected in a consistently elongated operating cycle ranging between 90-100 days over FY23 to FY25, driven primarily by both inventory and collection period. The paddy is procured either from traders or from other millers and are majorly paid in cash to avail cash discount, which reflects the decrease in credit period to 12 days in FY25 and hence increasing the overall working capital cycle. Under custom milling obligation, the firm is required to process certain quantity as specified by government from time to time. In custom milling, the payments are received 30-45 days. The company requires working capital finance since export orders are met through mainly container shipping / bulk shipping wherein each shipment comprise 10,000-30,000 tonnes of rice. 100% of the export orders are backed by Document against Payment which mitigates counter-party risks to a large extent. Also, Inventory period is generally higher in Q4 during harvesting season i.e., from November -April as mills typically procure in bulk immediately after harvest to ensure year-round production. While this strategy supports uninterrupted production, it significantly elevates the working capital requirement and reliance on working capital limits.

Government regulations & Agro-Climatic risk: The major raw material of the company is paddy other prices of which vary based on the monsoons and production in the crop seasons. Variation in rates may impact operating profitability. Inability to pass on hike in raw material prices to customers may lead to volatility in the operating margin. Government of India (GOI), every year decides a minimum support price of paddy which limits the bargaining power of rice millers over the farmers thereby affecting revenues. GOI also controls the sales of the rice and its varieties through various policy measures such as export restriction, minimum export price and imposition of export duty among others. Given the market determined prices for finished product vis-à-vis fixed acquisition cost for raw material, the profit margins are highly vulnerable to change in government policies.

Key strengths

Experienced promoters with long track record of operations: P.D.R.D Rice Mills Private Limited was established in 2009 by Mr. Dip Chand Khaitan, Mr. Dhananjay Singhania and Mr. Raj Kumar Singhania. The promoters belong to agricultural family having an agricultural background with vast experience in rice field w.r.t. procurements, processing, and supply destinations. The day-to-day operations of the firm are managed by Mr. Dhananjay Singhania and Mr. Sidharth Singhania (son of Mr. Dhananjay Singhania) - second generation entrepreneur, who is supported by a team of professionals who look into the various support functions of the firm. Dhananjay Singhania and Mr. Raj Kumar Singhania. The manufacturing unit of PRMPL is situated in an area of 1.5 acres out of total land available of 3.45 acres.

Strong presence in export market: The company derived 54% of its sales from exports in FY25 as compared to 87% in FY23. This was mainly due to several restrictions imposed by GOI on rice exports. However in 9MFY26, the company has increase its exports to 81% of its sales after easing of restrictions. PRMPL exports mainly to traders in Middle East, Europe, Singapore and West Africa. The company is eligible for export incentives (0.9% on FOB value) and has received incentive of Rs. 0.93 crore in FY25 and Rs. 1.06 crore in 9MFY26.

Diversified customer base with low counter party risks: PRMPL has been able to diversify its customer base with its focus in the domestic market after exports reduced from FY23 onwards. Top 5 customers derived around 24% of its total net sales in

FY25 vis-à-vis 22% in FY24. Majority of the export orders are backed by Document against payment. Therefore, payment risk is minimal since transfer of ownership of goods happen after receipt of payment.

Liquidity: Adequate

Liquidity of PRMPL is adequate as evident from average working capital utilization at 72% during the past twelve months ending December 2025. The firm has Nil term debt and has earned GCA of Rs.4.67 crore in FY25. The company is in the process of enhancing its EPC limit from Rs. 62 crore to Rs. 82 crore to support the increasing scale of operations.

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](#)

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

P.D.R.D Rice Mills Private Limited was established in 2009 by Mr. Dip Chand Khaitan, Mr. Dhananjay Singhania and Mr. Raj Kumar Singhania. The day-to-day operations of the company are managed by Mr. Dhananjay Singhania and Mr. Sidharth Singhania (son of Mr. Dhananjay Singhania) - second generation entrepreneur, who is supported by a team of professionals who look into the various support functions of the company. The company is engaged in processing, milling and sorting of different types of non-basmati rice (like white rice, long grain parboiled rice and long grain white rice). The company processes and sells parboiled & white rice under the brand 'Puspraj' in India and also export such rice varieties. The company has 2 rice milling units (1 for processing and 1 for milling and sorting) with installed capacity of 144 MTPH (Metric ton per hour) for processing, milling and sorting. It also has 1 ata milling unit in the same plant with the installed capacity pf 1.5 MTPH. PRMPL exports parboiled / white rice to international trading firms with end consumers based primarily in West Africa and South East Asia. The company's products are being sold through several wholesalers/retailers in Bihar & Jharkhand.

The company has been awarded with "3 Star Export House" by the Director General of Foreign Trade.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	215.69	202.53	195.09
PBILDT*	9.42	6.97	6.04
Profit after tax (PAT)	2.92	3.73	2.95
Overall gearing (x)	2.30	1.51	1.87
Interest coverage (x)	2.66	3.25	4.65

A: Audited UA: Unaudited; Note: these are latest available financial results

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

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-Forward Contract		-	-	-	2.00	CARE BB+; Stable
Fund-based - LT/ ST-Packing Credit in Foreign Currency		-	-	-	82.00	CARE BB+; Stable / CARE A4+

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/ ST-Packing Credit in Foreign Currency	LT/ST	82.00	CARE BB+; Stable / CARE A4+	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (04-Apr-25)	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (18-Mar-24)	1)CARE BB; Stable / CARE A4 (22-Mar-23) 2)CARE BB; Stable (20-Dec-22)
2	Fund-based - LT-Forward Contract	LT	2.00	CARE BB+; Stable				

*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 instruments/facilities: Not Applicable
Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Forward Contract	Simple
2	Fund-based - LT/ ST-Packing Credit in Foreign Currency	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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