

M K Proteins

April 10, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	1.62 (Reduced from 2.01)	CARE BB-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	42.00 (Enhanced from 35.00)	CARE BB-; Stable / CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the ratings assigned to the bank facilities of M K Proteins (MKP) is on the account of moderate scale of operations and profitability and leveraged capital structure along with stretched liquidity. The ratings further continue to remain constrained on account of MKP's presence in competitive and fragmented nature of industry with susceptibility of profit margins to fluctuations in raw material prices being in agro-based industry and partnership nature of constitution.

The ratings, however, continue to derive strength from experienced management as well as location advantage of manufacturing unit with close proximity to raw material sources to ease access to raw materials.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in Total Operating Income (TOI) of more than Rs.200 crore with Profit Before Interest Lease Rentals Depreciation and Taxation (PBILDT) margin above 3.50% on sustained basis.
- Improvement in capital structure marked by an overall gearing of below 1.5x times on sustained basis.

Negative factors

- Decline in TOI by 20% or more with cash losses on sustained basis.
- Any further debt funded capex leading to deterioration in capital structure on sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that the entity is expected to be benefitted from the extensive experience of the promoters along with location advantage.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations and profitability

MKP's scale of operations, grew at a compounded annual growth rate (CAGR) of ~25% in last 3 years ended FY25. However, TOI remained moderate at Rs.150.35 crore in FY25 (Rs.93.85 crore in FY24). During 11MFY26, it has reported TOI of Rs.197.47 crore, as against Rs.146 crore in 11MFY25.

MKP's PBILDT margin stood moderate at 3.47% during FY25 (3.72% during FY24). Profit after Tax (PAT) margin stood modest at 0.14% in FY25 (0.11% in FY24) on account of moderate interest and depreciation costs. Going forward, profitability is expected to remain in the similar range of 3-4%.

Leveraged capital structure and weak coverage indicators

The entity's capital structure stood leveraged, as marked by an overall gearing of 2.81x as on March 31, 2025 (1.62x as on March 31, 2024) with high reliance on external debt and limited networth base of Rs.14.67 crore as at FY25 end (Rs.16.25 crore as at FY24 end). Its debt profile largely comprises working capital limits, Unsecured loans of related parties and term debt.

Debt coverage indicators stood marginally weak, as marked by moderate PBILDT interest coverage of 1.46x in FY25 (1.45x in FY24) and high total debt to GCA (TD/GCA) of 24.69x in FY25 (23.36x in FY24).

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

Presence in a competitive and fragmented industry

India is one of the major groundnuts producing countries and also among the leading countries exporting groundnut-related products. The groundnut business in India is characterized by a high degree of competition, resulting from high fragmentation due to the low entry barriers and low capital intensity of the business.

Profit margins vulnerable to agro-based raw material price fluctuations

Groundnut seeds are the sole raw material used by MKP. Being agriculture-based input; the operations of MKP are vulnerable to its inherent risks associated with agro-based inputs prices. Further, the prices of raw materials are linked to agricultural output, which in turn, is exposed to factors such as vagaries of the monsoon, acreage, yield level and global demand-supply mismatches. Also, the prices of groundnuts are determined on the basis of demand and supply of groundnut seeds, which in turn depends upon rainfall and area under cultivation, and thus remain volatile.

Further, prices also reflect the Minimum Support Price (MSP) and other incentives offered by Government of India (GOI), international demand-supply gap and weather conditions in major groundnut growing nations; and hence remain volatile. This makes the prices of this raw materials volatile which in turn could adversely impact MKP's margins.

Partnership nature of constitution

MKP's constitution as a partnership firm restricts its overall financial flexibility in terms of limited access to external fund and ability to absorb losses or financial exigencies. Furthermore, there is an inherent risk of possibility of withdrawal of capital. During FY25, the promoters had withdrawn Rs.1.79 crore.

Key strengths**Experienced management**

MKP is promoted by family members of Keshariya and Mashru family, the promoters hold experience of around three decades in agro processing field through their association with other firms. The operation and management of MKP is being taken care by all the partners other than Ms. Rekhaben Keshariya, being an inactive partner. One of the partners- Mr. Alpesh Keshariya, looks after purchase department while Mr. Ashwin Keshariya and Mr. Dayalal Keshariya are handling production department. The marketing department is being looked after by Mr. Rajendra Mashru while Mr. Sureshchandra Mashru is handling finance work.

Strategic location of manufacturing units with close proximity to raw material sources

The manufacturing facilities of MKP is in Morbi, Saurashtra in Gujarat. Since Gujarat is one of the largest producers of groundnut in India, it helps MKP to easily procure groundnut from farmers and wholesalers in surrounding locality and offers MKP locational advantage in terms of lower logistics expenditure (both on the transportation and storage) along with ready availability of raw materials.

Liquidity: Stretched

The liquidity position of the entity remained stretched marked by high working capital limit utilization and negative cashflow from operations.

The average utilization of working capital limits remained between 80-90% during past 12 months ended February 2026, however it remained full at selected period. Cash flow from operation remained negative Rs.6.43 crore in FY25 (negative Rs.0.67 crore in FY24), moderated due to increased inventory and receivables with increasing scale of operations.

However, cash and bank balance remained moderate at Rs.4.04 crore as on March 31, 2025 (PY: Rs.1.00 crore). Current and quick ratio remained at 1.51x (PY: 2.01x) and 0.61x (PY: 0.51x) respectively as on March 31, 2025. Further, gross cash accruals remained at Rs.1.67 crore during FY25 (PY: Rs.1.12 crore), as against negligible debt repayment obligation during projected period.

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 firm and industry

Industry classification

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

Rajkot (Gujarat) based M K Proteins (MKP) is a partnership firm formed in April 2022. MKP is promoted by family members of Keshariya and Mashru family viz. Alpesh Keshariya, Dayalal Keshariya, Ashwin Keshariya, Rajendra Mashru and Sureshchandra Mashru. The entity is engaged into processing and manufacturing of groundnut refined oil, groundnut oil cake and ground nut seeds. The commercial operations commenced from November 2022 post acquisition of existing groundnut oil manufacturing plant of Fuletra Agro Foods located at Kherva near Wankaner, Morbi- Gujarat. The plant is having installed capacity of 50 Metric Ton Per Day (MTPD) for groundnut seeds and 20 MTPD for groundnut oil manufacturing.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	11MFY26 (UA)
Total operating income	93.85	151.14	197.47
PBILDT*	3.49	5.24	4.73
Profit after tax (PAT)	0.11	0.21	0.40
Overall gearing (x)	1.62	2.81	0.90
Interest coverage (x)	1.45	1.46	1.58

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	July-2030	1.62	CARE BB-; Stable
Fund-based - LT/ ST-Cash Credit		-	-	-	42.00	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-Cash Credit	LT/ST	42.00	CARE BB-; Stable / CARE A4	1)CARE BB-; Stable / CARE A4 (04-Apr-25)	-	1)CARE BB-; Stable / CARE A4 (14-Mar-24) 2)CARE BB-; Stable / CARE A4 (19-Feb-24)	-
2	Fund-based - LT-Term Loan	LT	1.62	CARE BB-; Stable	1)CARE BB-; Stable (04-Apr-25)	-	1)CARE BB-; Stable (14-Mar-24) 2)CARE BB-; Stable (19-Feb-24)	-

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.

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