



Press Release

Chennai Rice Industries India Private Limited

October 09, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	453.58 (Enhanced from Rs 260.69 crore)	IVR BBB/ Positive (IVR Triple B with Positive outlook)	IVR BBB/ Stable (IVR Triple B with Stable outlook)	Outlook revised from 'Stable' to 'Positive'	Simple
Total	453.58 (Rupees Four-Hundred and Fifty-Three Crore and Fifty-Eight Lakh Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has revised the outlook on the bank facilities of Chennai Rice Industries India Private Limited (CRIIPL) from 'Stable' to 'Positive', reflecting the company's sustained improvement in revenue & profitability and the expectation of further growth driven by capacity expansion to 420,480 MTPA from 210,420 MTPA. The outlook revision also considers the favourable demand outlook for rice in Tamil Nadu and the potential for further margin expansion arising from the company's investment in modern silos for efficient storage and inventory management.

Further, the rating continues to derive strength from the extensive experience of the promoters and the company's long track record of operations. However, the rating remains constrained by the moderate capital structure and debt coverage indicators, thin profitability margins and exposure to agro-climatic risk.



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Key Rating Sensitivities:

Upward Factors

- Strong growth in the scale of operations with improvement in profitability on a sustained basis and consequent improvement in cash accruals.
- Significant improvement in capital structure and debt protection metrics.
- Substantial improvement in the operating cycle easing up liquidity position.

Downward Factors

- Significant moderation in scale of operations and/or moderation in profitability impacting cash accruals on a sustained basis.
- Substantial moderation in the capital structure with deterioration in overall gearing and/or moderation in interest coverage ratio.
- Elongation in operating cycle leading to moderation in liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Extensive experience of the promoters in the rice industry

The promoter of the company, Mr. M.S. Tamilselvan has over two decades of experience in the rice industry. His long track record has supported the company in building established relationships with customers and suppliers, as well as developing an understanding of market dynamics, which strengthens its overall risk profile. Under his stewardship, the company has successfully established prominent brands in Tamil Nadu, named “Chennai Pattinam” and “Chennai Rice.”

Improvement in the scale of operations and absolute profitability

CRIIPL demonstrated improved performance in FY25 (Prov.) (refers to the period April 01,2024 to March 31,2025), with revenue growing by ~27% to Rs. 786.48 crore from Rs. 619.32 crore in FY24, on account of higher sales volume driven by capacity expansion and further supported by improved average realisation per unit of rice in line with overall rise in market prices for rice. In tandem with the revenue growth, absolute EBITDA further increased by 26.26% to Rs. 46.99 crore from Rs. 37.22 crore, while PAT grew by 15.07% to Rs. 6.66



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crore from Rs. 5.79 crore, demonstrating resilience despite higher finance costs due to elevated debt levels. Margin-wise, in FY25 (Prov.), EBITDA remained steady at 5.97% (marginally down 4 bps from 6.01% in FY24), and PAT margin was 0.85% (moderated 8 bps from 0.93%). Further, Company is expected to achieve revenues of over Rs. 1100 crore during current fiscal mainly driven by higher premium for its products and increased capacity which is expected to come online in January 2026. That said, any adverse development impacting the revenue growth materially will remain a key monitorable.

Stable demand prospects for rice within Tamil Nadu

Rice, being a staple food with very high consumption levels, continues to enjoy stable demand prospects in India. Furthermore in Tamil Nadu, rice holds strong importance in terms of high consumption and in terms of availability aided by favourable climate and extensive irrigation infrastructure.

Key Rating Weaknesses

Moderate capital structure and coverage indicators

CRIIPL's capital structure remained moderate, with total debt rising to Rs. 372.62 crore as on March 31, 2025 (Prov.) from Rs. 243.86 crore as on March 31, 2024, comprising term loans, WCDL, and cash credit. Tangible net worth increased to Rs. 191.72 crore as on March 31, 2025 (Prov.) from Rs. 130.67 crore as on March 31, 2024, aided by profit-driven reserve accretion and infusion of additional Rs. 25.00 crore of unsecured loans as quasi equity. Consequently, overall gearing rose slightly from 1.87x to 1.94x, while TOL/TNW moderated to 2.20x from 2.24x. Interest coverage stood at 1.57x in FY25 (Prov.) but reduced from 1.81x in FY24, impacted by higher finance costs despite improved EBITDA. Total Debt/EBITDA weakened to 7.93x in FY25 (Prov.) (6.55x in FY24), and DSCR declined to 1.25x in FY25 (Prov.) from 1.36x in FY24.

Thin Profitability margins

The rice-milling industry is highly fragmented with intense competition arising from limited value addition and low entry barriers, restricting pricing flexibility for players like CRIIPL. This results in thin profitability for players like CRIIPL. The operating margin stood at 5.97% and PAT margin at 0.85% in FY25 (Prov.).



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Exposure to agro-climatic risk

Cultivation of paddy, the primary raw material, depends on the monsoon and availability of irrigation; hence, CRIIPL remains susceptible to any shortage in supply or price fluctuations during unfavourable climatic conditions. However, the company has mitigated this risk to an extent by diversifying its supplier base across multiple states, including Andhra Pradesh, Punjab, and Karnataka, thereby reducing its dependence on any single region and hedging against potential disruptions arising from climatic factors.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity –Adequate

The company's liquidity remains adequate marked by expected annual cash accruals of Rs 30-50 crore in FY26-28, which is sufficient to meet annual repayment obligations (Rs 10-12 crore) in that period. Furthermore, the company has a free cash balance of ~Rs 54 crore as on August 31, 2025, which provides additional comfort to liquidity. However, the bank limit utilization on overall working capital limit, remain high at an average of ~90% over the 12 months ended August 2025.

About the Company

Chennai Rice Industries India Private Limited (CRIIPL), operates a rice processing facility in Tamil Nadu at Nasiyanur, with an installed capacity of 2,10,240 tons per annum. It also has 21 silos (3 at Nasiyanur and 18 at SIPCOT) providing a total storage capacity of 61,500 MT of paddy. The products manufactured are marketed under the brands “Chennai Rice” and “Chennai Pattinam” catering to wholesalers, retailers, distributors, modern trade, hotels, catering units within Tamil Nadu.



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The company is managed by its promoters, Mr. M.S. Tamilselvan and Mr. R. Rajkumar. CRIIPL plans to expand its processing capacity from 2,10,420 MTPA to 4,20,480 MTPA through the establishment of a new facility within the SIPCOT Industrial Area, Tamil Nadu.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	619.32	786.48
EBITDA	37.22	46.99
PAT	5.79	6.66
Total Debt	243.86	372.62
Tangible Net Worth (Adjusted)**	130.67	191.72
EBITDA Margin (%)	6.01	5.97
PAT Margin (%)	0.93	0.85
Overall Gearing Ratio (x) (Adjusted)**	1.87	1.94
Interest Coverage (x)	1.81	1.57

* Classification as per Infomerics' standards

** Adjusted after considering unsecured loans of Rs 56.00 crore as quasi equity



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Status of non-cooperation with previous CRA:

Brickwork Ratings continues to maintain the rating of CRIIPL in the Issuer Not Cooperating category since the issuer did not co-operate as per the Press Release dated May 27, 2025.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					July 31, 2024	July 17, 2023	June 24, 2022
1	Term Loans	Long Term	68.58	IVR BBB/ Positive	IVR BBB/ Stable	IVR BBB- / Stable	IVR BBB- / Stable
2	Cash Credit	Long Term	256.00	IVR BBB/ Positive	IVR BBB/ Stable	IVR BBB- / Stable	IVR BBB- / Stable
3	WCDL	Long Term	129.00	IVR BBB/ Positive	IVR BBB/ Stable	-	-

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	-	March-2029	12.58	IVR BBB/Positive
Term Loan 2	-	-	-	March-2029	4.99	IVR BBB/Positive
Term Loan 3	-	-	-	April-2030	14.68	IVR BBB/Positive
Term Loan 4	-	-	-	April-2031	6.33	IVR BBB/Positive
Term Loan 5	-	-	-	November- 2032	30.00	IVR BBB/Positive
WCDL	-	-	-	-	129.00	IVR BBB/Positive
Cash Credit 1	-	-	-	-	86.00	IVR BBB/Positive
Cash Credit 2	-	-	-	-	90.00	IVR BBB/Positive
Cash Credit 3	-	-	-	-	25.00	IVR BBB/Positive
Cash Credit 4	-	-	-	-	55.00	IVR BBB/Positive

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-CRIIPL-oct25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.