March 06, 2026

Kedia Pavitra LLP:[ICRA]BB-(Stable); assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long-term - Fund based-Term Loans	24.70	[ICRA]BB-(Stable); assigned
Long term-Fund based-Cash Credit	17.00	[ICRA]BB-(Stable); assigned
Long term-Fund based-Unallocated	0.30	[ICRA]BB-(Stable); assigned
Total	**42.00**	

**Instrument details are provided in Annexure-I*

Rationale

The rating assigned to Kedia Pavitra LLP (KPL) reflects its small scale of operations, given the nascent stage of its business. As KPL is currently setting up a food processing unit in Merta, Rajasthan, slated for commissioning by March 2026, the firm remains exposed to project execution risk and uncertainties around the volume ramp-up. The rating also remains constrained owing to intense competition in the industry, which limits pricing flexibility and impacts profitability. Further, the low value-added nature of the business is likely to restrict margin expansion to an extent. KPL's operations and margins are also susceptible to agro-climatic changes, revisions in government policies, and commodity price fluctuations, which may impact its operating performance.

The rating positively factors in the extensive experience of KPL's promoters and the upcoming sizeable processing capacities. It also draws comfort from KPL's agreements with major quick-commerce players and traders, which are expected to support the company's business growth. ICRA expects the company to benefit from favourable demand prospects as agro-based food products form an essential part of the Indian staple diet.

The Stable outlook on the rating reflects ICRA's expectation that KPL will achieve steady revenue growth in the coming fiscals, supported by new capacities and increasing market presence of its retail brand in the food processing sector. Nonetheless, the credit metrics of the firm are expected to remain constrained by the niche stage of its operations and only a gradual ramp-up in earnings*.*

Key rating drivers and their description

Credit strengths

Extensive experience of promoters – The firm was started in 2025 by the members of the Kedia family. The promoters have an experience of more than four decades in business, which along with the upcoming manufacturing base is expected to enable them to achieve a steady increase in the entity's scale of operations and establish a wide customer base.

Credit challenges

Early stage of operations – The entity started operations in August 2025 with expected revenues of Rs. 2-3 crore in FY2026. The processing facility is expected to be commissioned by the end of the current fiscal. Hence, the entity remains exposed to execution risks and uncertainties around the volume ramp-up.

Exposed to intense competition – The entity operates in a highly commoditised market, where intense fragmentation and dominance of unorganised players limit pricing flexibility. Consequently, its operating margins are expected to remain low in the initial few years, given the low value-added nature of operations and intense competition in the industry.

Vulnerability of turnover and profits to fluctuations in commodity prices and changes in Government regulations – The firm's turnover and profitability remain vulnerable to fluctuations in the prices of pulses and other agro-commodities. Given its presence in an agro-based industry, KPL is exposed to agro-climatic risks, which can affect both availability and quality of raw materials, as well as their pricing. Moreover, any changes in Government regulations — including revisions in the minimum support price (MSP), adverse developments in import policies, or export restrictions by overseas markets — can materially impact the performance of industry participants, including KPL

Liquidity position: Stretched

The firm's liquidity position is Stretched, characterised by negligible cash and bank balances as on December 31, 2025 and marginal buffer in working capital limits (utilisation of more than 95% of its working capital limits over the last three months ended in December 2025). The company has debt repayments of Rs. 1.20 crore in FY2027 and minimal capex plans, going forward.

Rating sensitivities

Positive factors – The rating could be upgraded if the firm demonstrates a material ramp-up in its revenue and profitability, leading to an improvement in its credit metrics.

Negative factors – The rating could be downgraded in case of a delay in ramp-up of the upcoming plant, resulting in subdued cash accruals on a sustained basis. An elongation in its working capital cycle, resulting in a deterioration in the entity's liquidity and credit profile could trigger a negative rating action.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

Kedia Pavitra LLP operates the Kedia Pavitra brand, an FMCG venture backed by the Kedia Group, focusing on minimally processed, premium food staples and direct-from-farm sourcing. The firm started operations in FY2026 and is in the process of completing its capex to set up a food processing unit by the end of the fiscal.

Key financial indicators (audited)

Standalone	FY2025	9MFY2026*
Operating income	0.0	0.5
PAT	0.0	-0.1
OPBDIT/OI	NM	-21.5%
PAT/OI	NM	-21.7%
Total outside liabilities/Tangible net worth (times)	2.1	2.0
Total debt/OPBDIT (times)	NM	-127.5
Interest coverage (times)	NM	NM

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore.
PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	06-Mar-26	Date	Rating	Date	Rating	Date	Rating
Fund based	Long- term Term Loans	24.70	[ICRA]BB-(Stable)	-	-	-	-	-	-
Fund based	Long term Cash Credit	17.00	[ICRA]BB-(Stable)	-	-	-	-	-	-
Unallocated	Long- term	0.30	[ICRA]BB-(Stable)						

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based - Cash credit	Simple
Long-term - Fund-based - Term loan	Simple
Unallocated limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Long-term - Fund based-term loans**	NA	NA	Mar-35	24.70	[ICRA]BB-(Stable)
NA	**Long term- fund based-cash credit**	NA	NA	NA	17.00	[ICRA]BB-(Stable)
NA	**Long term unallocated limits**	NA	NA	NA	0.30	[ICRA]BB-(Stable)

Source: Company

Please Click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Not applicable

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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