



Press Release
BHAGWATI AGROCHEM PRIVATE LIMITED
June 05, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	600.00	ACUITE BBB- Stable Upgraded	-
Bank Loan Ratings	9.60	-	ACUITE A3+ Upgraded
Total Outstanding Quantum (Rs. Cr)	609.60	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has upgraded its long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) from 'ACUITE BB' (read as ACUITE double B) and short-term rating of 'ACUITE A3+' (read as ACUITE A three plus) from 'ACUITE A4+' (read as ACUITE A four plus) on the Rs. 609.60 Cr. bank facilities of Bhagwati Agrochem Private Limited (BAPL). The outlook is 'Stable'.

Rationale for rating

The rating upgrade reflects the established presence and experience of the management of the Bhagwati group in the food processing industry for more than three decades. The group is engaged in the milling of paddy and processing of rice since 1991. Currently, the group is exporting rice in more than 62 countries across the world which contributes 30% of their total revenue for FY2025 (Prov.). Currently, the group is expanding its business in rice mill by setting up new plant in Madhya Pradesh and adding other new products like wheat flour and solvent extraction plant for rice bran oil under group company i.e. Bhagwati Agrochem Private Limited. The phase 1 of the project i.e. rice mill has already started its commercial operations on 27th March 2025 and other two plants are under construction.

The total cost of the project is Rs. 803.97 Cr. which will be funded in the ratio of 2.39:1 times of debt & equity ratio. As of March 2025, the company has already expensed Rs. 575.58 Cr. (71.59%) on the project which was funded by Rs. 425.78 crore from term loan and remaining has been brought in by the promoters in the form of equity i.e. Rs. 149.8 Cr. The full commencement of operations is expected in August 2025.

About the Company

Punjab based Bhagwati Agrochem Private Limited is a private limited company incorporated in 2021 with an objective to carry on the business of food processing, rice shelling, wheat flour, attarchaki, solvent extraction and oil refinery. BAPL is a group company of established Bhagwati Group of Punjab, who is already in the business of food processing industry for the last three decades. The current directors of the company are Mr. Sushil Mittal Director and Mr. Sameer Mittal.

About the Group

Bhagwati Lacto Vegetarian Exports Private Limited

Punjab based Bhagwati Lacto Vegetarian Exports Private Limited is Incorporated in 2007, engaged in the processing of paddy since FY08. The company operates at its single manufacturing facility in Ferozepur, Punjab with an installed capacity of 55TPH (tonnes per hour). Bhagwati Lacto Vegetarian Exports Private Limited is primarily engaged in the export of Basmati rice to the Middle East, Canada, Australia, etc.

Healthy Harvested Foods Private Limited

Gujarat based Healthy Harvest Foods Private Limited was incorporated in 2020. The company is engaged in the grading, sorting and storage of rice. Prior to this it was engaged in trading of rice in FY22 since the commencement of its commercial operations in Q1FY24. The raw material, is procured from local grain markets through dealers and agents based in Punjab, Haryana, Madhya Pradesh and Uttar Pradesh etc. The unit of the

company is in close proximity to Kandla and Mundra port, Gujarat. Due to the close proximity to port. Sushil Mittal and Mr. Sameer Mittal are the present directors of the company.

Bhagwati Lacto Foods Private Limited

Ferozpur based Bhagwati Lacto Foods Private Limited was incorporated in 2009. The company is engaged in the processing of paddy to produce basmati rice. The company sells basmati rice under the brand names 'GARIMA' and 'KASTURIKA' in Punjab, Himachal Pradesh, Delhi, Haryana etc. Group concerns of the company include Bhagwati Agrochem Private Limited, Bhagwati Lacto Vegetarian Exports Private Limited and Healthy Harvested Foods Private Limited. Manufacturing Facilities located in Vill. Rukna Mungla, Faridkot Road, Ferozepur Distt, Punjab 152001. Mr. Rahul Mittal and Ms. Sanjana Mittal are the present directors of the company.

Unsupported Rating

Not Applicable.

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has considered consolidated business and financial risk profile of Bhagwati Lacto Foods Private Limited, Bhagwati Lacto Vegetarian Exports Private Limited, Healthy Harvested Foods Private Limited and Bhagwati Agrochem Private Limited collectively referred to as a Bhagwati Group. The consolidation is mainly due to common management, same line of business and strong operational & financial linkages.

Key Rating Drivers

Strengths

Experienced Management and established track record of Bhagwati Group.

Bhagwati group was established in 1991 with a partnership firm namely M/s Bhagwati Rice Mills at Ferozepur, Punjab. Later, during the year 2008, after the opening of export market for Basmati Rice Bhagwati group had set up a new Modern Rice Mill In the name of Bhagwati Lacto Vegetarian Exports Private Limited (BLVEPL). The promoters of the group have vast experience in the food processing industry and along with that the group also has well established network of customers and suppliers. The group mainly manufactures for private labels, however 6-7% of revenue is generated from own brand such as Garima, Shah Mahal, Shah Begum, Ruhab and Kasturika. Their experience has enabled the group in domestic market as well as healthy relationships with international market.

Low Funding Risk

The group had started the construction of the manufacturing facility in May 2023 with an estimated project cost of Rs.803.97 crore. For this the company has already sanctioned Rs.600 crore of the debt funding from consortium of lenders. Further, as on March 2025, the group had already disbursed Rs.425.78 crore of term loan. Acuite believes that with the successful tie up of debt funding, required for the completion of project, the company will be able to incur the capex as planned.

Weaknesses

Project Execution Risk

Currently the company is constructing its manufacturing unit and the commercial operation of the same is expected to be in August 2025. As on 31st March 2025, 71.59% of physical progress has already been completed. Going ahead any significant changes in the total project cost will have to be bought in by the promoters of the company. Acuite believes that the significant amount of implementation risk for the project still exist and will act as a key rating sensitivity for the company.

ESG Factors Relevant for Rating

The group is driven by the ambition to be a comprehensive ingredient provider across the entire food chain aspiring to lead in the industry. They recognizes that addressing environmental, social, and governance risks is vital for business sustainability. They are founded on principles of kindness, fairness, effectiveness, and efficiency. The group's respect for human rights as a core value and is committed to ensuring that our actions benefit the environment, society and nation. They are committed to continuously improving our ESG performance and are setting new targets for the future.

Rating Sensitivities

- Timely execution of planned capex

Liquidity Position

Adequate

The working capital operations of the group is intensive marked by gross current assets (GCA) days of 160 days as on 31st March 2025(Prov.) improved from 190 days as on 31st March 2024. The intensiveness of GCA days is mainly due to high debtor days and inventory holding which stood at 77 & 80 days for FY 25 (Prov.) Acuité believes that the working capital operations of the company will remain almost at the same levels as per nature of operations of the group.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	2611.70	2210.74
PAT	Rs. Cr.	56.45	43.68
PAT Margin	(%)	2.16	1.98
Total Debt/Tangible Net Worth	Times	1.55	1.59
PBDIT/Interest	Times	2.69	2.42

Status of non-cooperation with previous CRA (if applicable)

Not Applicable.

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any Other Information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook	
20 Aug 2024	Bank Guarantee (BLR)	Short Term	9.60	ACUITE A4+ (Assigned)	
	Term Loan	Long Term	150.00	ACUITE BB	Stable (Assigned)
	Term Loan	Long Term	100.00	ACUITE BB	Stable (Assigned)
	Term Loan	Long Term	90.00	ACUITE BB	Stable (Assigned)
	Term Loan	Long Term	260.00	ACUITE BB	Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.60	Simple	ACUITE A3+ Upgraded (from ACUITE A4+)
Punjab National Bank	Not avl. / Not appl.	Term Loan	30 Mar 2024	Not avl. / Not appl.	31 Dec 2036	260.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB)
Indian Bank	Not avl. / Not appl.	Term Loan	30 Mar 2024	Not avl. / Not appl.	31 Dec 2036	150.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB)
UCO Bank	Not avl. / Not appl.	Term Loan	30 Mar 2024	Not avl. / Not appl.	31 Dec 2036	100.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB)
Bank of India	Not avl. / Not appl.	Term Loan	30 Mar 2024	Not avl. / Not appl.	31 Dec 2036	90.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company name
1	Bhagwati Lacto Foods Private Limited
2	Bhagwati Agrochem Private Limited
3	Bhagwati Lacto Vegetarian Exports Private Limited
4	Healthy Harvested Foods Private Limited

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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