



Press Release
BEAMER FOOD AND BEVERAGES PRIVATE LIMITED
October 31, 2024
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	1.25	ACUITE BB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	1.25	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long term rating of '**ACUITE BB-**' (read as **ACUITE double B minuso**)n the Rs.1.25 Cr. Non Convertible Debentures of Beamer Food and Beverages Private Limited (BFBPL). The Outlook is '**Stable**'.

Rationale for rating assigned

The assigned rating takes into account the moderate scale of operations and ongoing operating losses from previous years, along with a limited operational track record and intense competition that restricts pricing flexibility in the food industry. However, the rating is supported by the promoters' extensive experience in the food service sector, a declining trend in operating losses supported by steady growth in operations, a modest financial risk profile, and reasonably efficient working capital management.

About the Company

Established In 2016, Beamer Food and Beverages Private Limited Is Engaged in Quick Service Restaurant. Beamer Food and Beverages Private Limited Has Its Registered Office in Bangalore, Karnataka. Beamer Brands Operates All Biggies Burger, Bigguys Wings & More, Original Burger Co. And Biggcafe Restaurants Across India. Current Directors of The Company Are Mr. Biraja Prasad Rout, Mr. Abilash Chandrashekar and Mr. Sandeep Satpathy.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of BFBPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced brand presence in QSR segment and geographically diversified presence

The company operates in the quick service restaurant sector under the brand names "Biggies Burger," "Bigguys Wings," "Original Burger Co," and "Biggcafe," with locations across India. BFBPL offers a diverse product portfolio that includes burgers, desserts, and snacks tailored to Indian consumers. The company has a pan-India presence with 114 outlets across these four brands, with "Biggie's Burger" being the most recognized, representing nearly 95 percent of the total outlets. BFBPL operates under a franchise business model, which includes both

Franchisee Owned Company Operated (FOCO) outlets and Franchisee Owned Franchisee Operated (FOFO) outlets. Additionally, the company owns and operates its own outlets. To strengthen its market position, BFBPL is continuously expanding its presence through the franchise model.

Moderately efficient working capital operations

The company's working capital operations are moderate, as reflected by its improved Gross Current Asset (GCA) days of 67 days for FY24 (Prov.) as against 32 days for FY22 and 29 days in FY21. The inventory days ranged between 11 and 23 days, and the debtor's days ranged between 4 and 25 days, during the last three years ending

FY24 (Prov.). To support the working capital, the company stretched the creditors to an extent of about 21–46 days during the last three years, ending in FY24 (Prov.). Acuité believes that the efficient working capital management of the company will remain a key rating sensitivity over the medium term.

Weaknesses

Continuous operating losses, ability to ramp up revenue and improve earnings remain critical

The operating losses declined in FY24 (Prov.) to (3.88) percent as against (7.12) percent in FY23 and (5.3) percent in FY22. Decline in operating losses is attributable to improvement in scale of operations to Rs.36.62 Cr. in FY24 (Prov.) from Rs.18.33 Cr. in FY23 and Rs.7.93 Cr. in FY22. Going forward company's ability to ramp up revenue the scale of operations and improve earnings will remain as key rating monitorable.

Moderate financial risk profile

The financial risk profile of the company is modest, marked by moderate net worth, low leverage ratios, and comfortable debt protection matrices. The company's net worth stood modest at Rs. 2.98 Cr. as of March 31, 2024 (Prov.), as against Rs. 1.35 crore as of March 31, 2023. Improvement in networth is due infusion of capital through preference share capital amounting Rs.1.87 Cr. in FY24 (Prov.) and accretion of profits to the reserves. The total debt of Rs. 2.63 Cr. as of March 31, 2024 (Prov.), consists of Rs. 0.89 Cr. of long term debt, Rs. 0.40 Cr. of unsecured loans from promoters and a working capital loan of Rs. 1.34 Cr. The gearing (debt/equity) of the company remains low at 0.88 times as of March 31, 2024 (Prov.), as against 0.62 times in the same period last year. Furthermore, the debt-to-EBITDA ratio of the company stood at 2.55 times as on March 31st 2024 (Prov.) as against (0.79) times as on March 31st 2023. However, the debt protection matrices remain comfortable, marked by an interest coverage ratio of 3.25 times and a debt service coverage ratio of 3.33 times for FY24 (Prov.). The ratio of total outside liabilities to tangible net worth stood at 2.93 times for FY2024 (Prov.) as against 2.34 times in FY2023.

Acuite believes that financial risk profile of the company continue to remain moderate in medium term.

Intense competition from organised and unorganised markets

BFBPL faces intense competition from unorganised as well as organised QSR players like McDonald's, KFC and Dominos. The company's ability to sustain its growth and improve its profit margin amid the intense competition will remain critical. Also, its sales are exposed to uncontrollable factors like disease outbreaks, such as the Avian Influenza (bird flu), which may impact both supply and consumption of chicken products.

Rating Sensitivities

Positive

- Significant increases its scale of operations and profitability
- Improvement in overall financial risk profile

Negative

- Decline in revenue growth and further weakening of profitability margins
- Any elongation in working capital cycle

Liquidity Position: Adequate

BFBPL's liquidity is adequately marked by comfortable cash accrual against its repayment obligations and moderately efficient working capital operations. The cash accruals of the company are expected to be in the range of Rs.1.6 Cr. to 2.37 Cr. during FY25-26 against repayment obligations in the around of Rs.1.25 Cr. in FY25. The current ratio of the company stood unity at 0.90 times and cash and bank balance stood at Rs. 1.87 Cr. as on March 31st 2024 (Prov.). Gross current asset (GCA) days stood in the range of 29 to 67 days during past three years ending FY24 (Prov.).

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	36.62	18.33
PAT	Rs. Cr.	0.45	(1.54)
PAT Margin	(%)	1.23	(8.43)
Total Debt/Tangible Net Worth	Times	0.88	0.62
PBDIT/Interest	Times	3.25	(5.10)

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

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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 :

Not applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.25	Simple	ACUITÉ BB- Stable Assigned

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About Acuité Ratings & Research

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