



Press Release
BHARTIA DISTRIBUTORS PRIVATE LIMITED
June 03, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	62.00	ACUITE BBB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	62.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 62.00 Cr. bank facilities of Bhartia Distributors Private Limited. The outlook is '**Stable**'.

Rationale for rating

The rating takes into cognizance long track record of operations, benefits derived from experienced management along with dealer distributor network of around 500 dealers, long term association with Tata Steel Limited and Steel Authority of India Limited (SAIL) as their authorised distributor, improving revenues and operating profitability, moderate financial risk profile, efficient working capital cycle and adequate liquidity; however, these strengths are partly offset by supplier concentration risk and susceptibility of margins to price fluctuations in steel industry.

About the Company

Odisha Based, Bhartia Distributors Private Limited was incorporated in 2000. The company is engaged in trading in flat products as an authorised distributor of TATA Steel Limited since 2000. Additionally, it also holds authorized distributorship of products for Steel Authority of India Limited (SAIL) since 2018. For Tata Steel Limited, it deals in HR and CR Coils & Sheets, GP Coil & Sheets, GC Sheets, Tata Pipes, Durashine range of colour coated products and for SAIL, it deals in TMT and Structural. The managing director of the company is Mr. Kishan Lal Agarwal, and the other directors are Mr. Rahul Bhartia, Mrs Srishty Bhartia and Mrs Pushpa Devi Agarwal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of Bhartia Distributors Private Limited to arrive at the rating

Key Rating Drivers

Strengths

Benefits derived from Experienced Management

The operations of the company are managed by Mr. Kishan Lal Agarwal, Mr. Rahul Bhartia, Mrs. Srishty Bhartia and Mrs. Pushpa Devi Agarwal who have prior experience in trading iron and steel products for almost two decades. The company also holds strong relationship with Tata Steel Limited and SAIL as distributor of their products. It also has dealer network of around 500 dealers which helps the company cater to the clientele base. Acuite believes that the benefits derived from promoter's experience coupled with their relationship with Tata Steel and SAIL will benefit the company going forward.

Improving Revenues and Operating profitability

The revenues have increased to Rs. 553.79 Cr. as on March 31, 2025 (Prov.) as compared to Rs. 504.24 Cr. as on

March 31, 2024 on account of increase in volumes sold despite declining realisations. The operating profitability has remained stable at 1.44 percent as on March 31, 2025 (Prov.) as compared to 1.30 percent as on March 31, 2024 on account of volatility in steel prices. Acuite believes that scale of operations will remain at similar lines over the medium term.

Moderate financial risk profile

The financial risk profile of the company is moderate marked by improving net worth, moderate gearing and debt protection metrics. The tangible net worth of the company stood at Rs.38.98 Cr. as on March 31, 2025(Prov.) as compared to Rs. 35.84 Cr. as on March 31, 2024 due to accretion to reserves. The gearing of the company stood at 1.16 times as on March 31, 2025(Prov.) as compared to 1.17 times as on March 31, 2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.31 times as on March 31, 2025(Prov.) as compared to 1.67 times as on March 31, 2024. The debt protection metrics of the company remain moderate marked by Interest coverage ratio (ICR) of 2.22 times and debt service coverage ratio (DSCR) of 1.91 times for March 31, 2025(Prov.). The net cash accruals to total debt (NCA/TD) stood at 0.07 times as on March 31, 2025(Prov.) as compared to 0.05 times as on March 31, 2024. Acuite believes that the financial risk profile will remain moderate over the medium term, with small but steady cash accruals.

Weaknesses

Supplier Concentration risk

The company is exposed to supplier concentration risk since 100% procurement by company are from SAIL and Tata Steel Limited are the supplier of products to the company. Any breach in MoU terms might impact the company, since it has limited bargaining power. Any change in the availability of products or pricing might directly impact BDPL's earning profile. However, the company has not witnessed any such un-toward risk in the past years track record. Acuite believes the company will be exposed to the supplier concentration risk over the medium term.

Margins are susceptible to price fluctuations

The company's performance remains vulnerable to cyclicity in the steel sector as demand for steel depends on performance of end user segments such as construction and real estate. Indian steel sector is highly competitive due to presence of large number of players. Acuite believes that the operating margin of the company will continue to remain exposed to fluctuations in the prices of raw materials as well as price realization from finished goods.

Rating Sensitivities

Movement in revenues and operating profitability
Working Capital Cycle

Liquidity Position

Adequate

The company has adequate liquidity marked by net cash accruals of Rs 3.33 Cr. as on FY2025(Prov.) as against long term debt of Rs. 0.02 Cr. over the same period. The cash and bank balance stood at Rs. 2.72 Cr. as on March 31, 2025(Prov.) and March 31, 2024. Further, the current ratio of the company stood at 1.81 times as on March 31, 2025(Prov.) as compared to 1.68 times as on March 31, 2024. The average bank utilization of the company has been 93 percent utilized for the last six months ended in March 2025. Acuite believes that the liquidity of the company is likely to remain adequate over the near to medium term on account of steady cash accruals.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	553.79	504.24
PAT	Rs. Cr.	3.15	2.07
PAT Margin	(%)	0.57	0.41
Total Debt/Tangible Net Worth	Times	1.16	1.17
PBDIT/Interest	Times	2.22	1.87

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

None

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

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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. 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: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
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	20 Nov 2026	5.98	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.02	Simple	ACUITE BBB- Stable Assigned

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Vedika Lahoti Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.