



Press Release
BHAGWATI LACTO VEGETARIAN EXPORTS PRIVATE LIMITED
July 03, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	444.90	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	55.10	-	ACUITE A2 Assigned
Total Outstanding Quantum (Rs. Cr)	500.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE BBB**' (read as **ACUITE triple Ba**) and short-term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs.500.00 Cr. bank facilities of Bhagwati Lacto Vegetarian Exports Private Limited (BLVEPL). The Outlook is '**Stable**'.

Rationale for rating

The rating assigned 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 FY 2025 (Prov.). The rating gets additional comfort on improving scale of operations & profitability, above average financial risk profile and adequate liquidity profile of the group. However, the rating gets constraint with intensive working capital operations of the group.

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. As on date, 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. The full commencement of operations is expected in August 2025.

About the Company

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.

About the Group

Bhagwati Agrochem Private Limited

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, atta chaki, solvent extraction and oil refinery. Bhagwati Agrochem Private Limited 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. Mr. Sushil Mittal and Mr. Sameer Mittal are the present directors of the company.

Bhagwati Lacto Foods Private Limited

Firozpur 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 Mungra, Faridkot Road, Ferozepur Distt,

Punjab 152001. Mr. Rahul Mittal and Ms. Sanjana Mittal are the present directors of the company.

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.

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.

Scale of operations & profitability

The revenue from the operations of the group has improved by 18.14%, thereby increasing the topline from Rs. 2,210.74 Cr. in FY 24 to Rs. 2,611.70 Cr. in FY 25 (Prov.). In FY 24. The operating margin of the company stood at 5.40% in FY 25 (Prov.) against 5.35% in FY 24. The Net margin improved by 18 bps which stood at 2.16% in FY 25 (Prov.) against 1.98% in FY 24. The improvement in scale of operations and profitability is mainly due to increase in volume units sold in FY 25 (Prov.) despite slight decline in average price realization in FY25 (Prov.) against FY 24. Acuite believes that the established presence and experience of the promoters of the Bhagwati group will help in medium to long term for improving scale of operations & profitability.

Above average Financial Risk Profile

The group's financial risk profile is marked by healthy net worth, moderate gearing and debt protection metrics. The tangible net worth of the company improved to Rs. 647.95 Cr. as on March 31, 2025 (Prov.), from Rs. 450.94 Cr. as on March 31, 2024, due to accretion of profits in reserves and treatment of unsecured loans as quasi equity. The gearing ratio of the group slightly improved and stood at 1.55 times as on March 31, 2025, as against 1.59 times as on March 31, 2024. The TOL/TNW also improved and stood high at 2.02 times as on March 31, 2025 (Prov.), as against 2.22 times as on March 31, 2023. The total debt of the group has increased from Rs. 717.70 Cr. in FY 24 to Rs. 1005.76 Cr. in FY 25 (Prov.). The debt protection metrics of the company is marked by ISCR at 2.69 times and DSCR at 1.74 times as on March 31, 2025. Acuite believes that going forward the financial risk profile of the company will remain at a same level with steady accruals and debt funded capex.

Weaknesses

Intensive Working capital operations

The working capital operations of the group is intensive marked by gross current assets (GCA) days of 160 days in FY 25 (Prov.) improved from 190 days in FY 24. The intensiveness of GCA days is mainly due to high debtor days and inventory holding which stood at 77 days & 80 days for FY 25 (Prov.) Acuite believes that the working capital operations of the company will remain almost at the same levels as per nature of operations of the group.

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 recognize 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 in the group company.
- Movement in scale of operations & profitability
- Elongation in working capital operations

Liquidity Position

Adequate

The liquidity position of the group is adequate marked by net cash accruals of Rs. 67.74 Cr. in FY 25 (Prov.) against debt obligations of Rs. 16.38 Cr. for the same year. The current ratio of the company stood at 1.44 times as on 31 March 2025. The cash and bank balances of the company stood at Rs. 51.41 Cr. in FY 25 (Prov.). The average utilization of fund-based limits for the last 12 months ending April 2025 is 92.12%. The liquidity of the company is expected to improve as the company is expecting to generate steady cash accruals in near to medium term indicating availability of funds for ongoing capital expenditure in the group company.

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)

None

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, 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
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	212.00	Simple	ACUITE BBB Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	144.00	Simple	ACUITE BBB Stable Assigned
UCO Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	44.00	Simple	ACUITE BBB Stable Assigned
Indian Bank	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.40	Simple	ACUITE A2 Assigned
Punjab National Bank	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.20	Simple	ACUITE A2 Assigned
UCO Bank	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.50	Simple	ACUITE A2 Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.17	Simple	ACUITE BBB Stable Assigned
Indian Bank	Not avl. / Not appl.	Term Loan	02 May 2023	Not avl. / Not appl.	30 Jun 2028	12.85	Simple	ACUITE BBB Stable Assigned
Indian Bank	Not avl. / Not appl.	Term Loan	30 Jun 2022	Not avl. / Not appl.	30 Mar 2031	7.60	Simple	ACUITE BBB Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Term Loan	31 May 2022	Not avl. / Not appl.	31 Jan 2031	15.28	Simple	ACUITE BBB Stable Assigned

*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

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Siddharth Garg 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.