



Press Release
BHARATI FOODS PRIVATE LIMITED
August 14, 2025
Rating Assigned

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|-------------------------------|----------------------|
| Bank Loan Ratings | 30.00 | ACUITE B+ Stable Assigned | - |
| Bank Loan Ratings | 0.50 | - | ACUITE A4 Assigned |
| Total Outstanding Quantum (Rs. Cr) | 30.50 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has assigned long term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 30 Cr. bank facilities and short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 0.50 Cr. bank facilities of Bharati Foods Private Limited. The outlook is '**Stable**'.

Rationale of rating

The rating takes into account experienced management and moderate working capital cycle; however these strengths are partly offset by below average financial risk profile, declining operating profitability albeit improving revenues, exposure to stabilisation risk in the initial phase of operations and stretched liquidity.

About the Company

Incorporated in 2014, Bharati Foods Private Limited is engaged in raising poultry and production of eggs. The location of the poultry farming is Bankura, West Bengal. The directors of the company are Mr Bablu Kundu and Mr Dinabondhu Kundu.

About the Group

Bharati Poultry Private Limited

Bharati Poultry Private Limited is incorporated in 2003. It is involved in raising poultry, production of eggs and production of animal products like poultry feed, packing trays. The location for poultry farming is Bankura, West Bengal. The directors of the company are Mr Bablu Kundu and Mr Dinabondhu Kundu.

Bharati International Private Limited

Bharati International Private Limited is incorporated in 2010. It is involved in activities producing and selling eggs. The location for poultry farming is Bankura, West Bengal. The directors of the company are Mr Bablu Kundu and Mr Dinabondhu Kundu.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has taken consolidation view of business and financial risk profile of Bharati Foods Private Limited, Bharati Poultry Private Limited and Bharati International Private Limited due to operational and financial linkages.

Key Rating Drivers

Strengths

Benefits derived from Experienced promoters

The promoters of the group are Mr Bablu Kundu and Mr Dinabondhu Kundu who have prior experience in the industry. Over the years, the group has expanded its operations by adding poultry farms in different group entities by way of expansion and acquisition. The group has established healthy relationship with its customers and suppliers. Acuite believes that benefits derived from the promoters coupled with their relationship with customers and suppliers will benefit the group going forward.

Moderate Working Capital Cycle

The working capital cycle of the group is moderate as reflected by Gross Current Assets (GCA) of 90 days for March 31, 2025(Prov.) as compared to 101 days for March 31, 2024. The debtor period stood at 5 days as on March 31, 2025(Prov.). Further, the inventory days stood at 80 days as on March 31, 2025(Prov.) as compared to 96 days in FY2024, mostly due to grower stage chickens which are expected to mature for egg laying in couple of months. The creditors stood at 11 days as on March 31, 2025(Prov.) as compared to 1 day as on March 31, 2024. Acuite believes that the working capital operations of the company will remain at the similar levels over the medium term.

Weaknesses

Improving Revenues albeit declining operating profitability

The revenues of the group have increased to Rs. 120.87 Cr. as on March 31, 2025(Prov.) as compared to Rs. 103.65 Cr. as on March 31, 2024. The operating profitability has declined to (0.70) percent as on March 31, 2025 as compared to 5.93 percent as on March 31, 2024 on account of increase in the cost of raw materials like chick purchases, vaccine and medicines. Acuite believes that the scale of operations will improve over the medium term alongwith profitability once the chickens reach the egg laying stage.

BFPL is undergoing capex at poultry farm to increase capacity by 6,00,000 commercial laying birds at Bankura, West Bengal. The project cost is Rs. 31. 58 Cr. to be funded by a mix of debt and unsecured loans. The estimated time for the project completion is March, 2026. After the implementation of the capex, it is expected to increase in scale of operations and margins over the near to medium term. Acuite believes that the timely commencement of the expansion would be a key monitorable.

Below average financial risk profile

The financial risk profile of the group is marked below average by low net worth, moderate gearing and debt protection metrics. The tangible net worth of the group stood at Rs. 25.47 Cr. as on March 31, 2025(Prov.) as compared to Rs. 30.80 Cr. as on March 31, 2024 due to reduction in reserves due to losses. The gearing of the group stood at 1.65 times as on March 31, 2025(Prov.) as compared to 1.06 times as on March 31, 2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.87 times as on March 31, 2025(Prov.) as compared to 1.34 times as on March 31, 2024. The debt protection metrics of the group are negative, interest coverage ratio stood at (0.09) times in FY 25(Prov.) debt service coverage ratio (DSCR) of (0.12) times for March 31, 2025(Prov.). The net cash accruals to total debt (NCA/TD) stood at (0.09) times as on March 31, 2025(Prov.) as compared to 0.11 times as on March 31, 2024. Acuite believes that the financial risk profile will remain below average in the near to medium term with debt funded capex plans.

Rating Sensitivities

Movement in revenues and operating profitability

Working capital cycle

Timely Implementation of capex

Liquidity Position

Stretched

The group has stretched liquidity marked by negative net cash accruals of Rs. (3.67) Cr. as on FY2025(Prov.) as against long-term debt repayment of Rs. 1.72 Cr. over the same period. The shortfall is met by the infusion of unsecured loans in the business and stretching its working capital cycle. The cash and bank balance stood at Rs. 0.28 Cr. as on March 31, 2025(Prov.) and Rs. 0.60 Cr. as on March 31, 2024. Further, the current ratio of the group stood at 0.98 times as on March 31, 2025(Prov.) as compared to 1.33 times as on March 31, 2024. The average bank limit utilization of the group is 79% last five months ended May 2025. Acuite believes that the liquidity of the company is to remain stretched on account of debt funded capex to be implemented in the near term, small accruals and low current ratio over the medium term.

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Outlook: Stable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 25 (Provisional) | FY 24 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income | Rs. Cr. | 120.87 | 103.65 |
| PAT | Rs. Cr. | (5.34) | 1.79 |
| PAT Margin | (%) | (4.41) | 1.73 |
| Total Debt/Tangible Net Worth | Times | 1.65 | 1.06 |
| PBDIT/Interest | Times | (0.09) | 2.66 |

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. 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 |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|------------------|-------------------------------|
| Canara Bank | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 0.50 | Simple | ACUITE A4 Assigned |
| Canara Bank | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 5.00 | Simple | ACUITE B+ Stable Assigned |
| Canara Bank | Not avl. / Not appl. | Term Loan | 27 Dec 2024 | Not avl. / Not appl. | 30 Sep 2032 | 25.00 | Simple | ACUITE B+ Stable Assigned |

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

| Sr No. | Company Name |
|--------|---------------------------------------|
| 1 | Bharati Foods Private Limited |
| 2 | Bharati Poultry Private Limited |
| 3 | Bharati International Private Limited |

Contacts

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About Acuité Ratings & Research

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