Bharat Industrial Enterprises Private Limited

June 19, 2025

Ratings

Instrument Facility	Amount (Rs. Crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long term Bank Facilities	132.23*	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Rating Re-affirmed	Simple
Short Term bank Facilities	55.50	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	Rating Re-affirmed	Simple
Total	**187.73**	**Rupees One Hundred Eighty-Seven crores and Seventy Three Lakhs only.**			

* Includes Proposed Limit of Rs. 5.33 Crore

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has re-affirmed the long/Short Term rating to Triple B with a Stable outlook & IVR A Three Plus for the bank loan facilities of Bharat Industrial Enterprises Private Limited (BIEPL).

The reaffirmation of the ratings assigned to the bank facilities of BIEPL takes into account vast experience of the management and established track record of operations, continuous increase in profitability of the company, satisfactory capital structure and interest coverage ratio, moderate working capital cycle and steady demand outlook for rice industry. However, these ratings strengths are partially constrained due to susceptibility to agro climatic risk, thin profit margins and intense competition in domestic and export market.

The stable outlook indicates a low likelihood of rating change in the medium term. IVR believes that the BIEPL business & financials risk profile will be maintained over the over the medium term.

IVR has principally relied on the standalone audited financial results of BIEPL up to FY24(A) (refers to 1 April 2023 to 31 March 2024) & FY25 Provisional results (refers to 1 April 2024 to 31 March 2025) and three years projected financials till FY28, and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Growth in scale of operations with improvement in profitability on a sustained basis and consequent improvement in liquidity.
- Sustenance of debt protection metrics and improvement in capital structure with improvement in overall gearing to below 2.25x.
- Effective capital management leading to improvement in the operating cycle

Downward Factors

- Moderation in scale of operations and/or profitability impacting the gross cash accruals on a sustained basis.
- Moderation in the capital structure with moderation in the overall gearing to over 3x
- Elongation in the operating cycle leading to moderation in liquidity

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Extensive experience of the promoters and long track record of operations**

Mr Nathi Ram Gupta and Mr Mohit Gupta are promoters cum directors in BIEPL and are actively managing the company's operations. Mr Nathi Ram Gupta has more than five decades of experience in trading, processing and manufacturing of rice. Mr Mohit Gupta, son of Mr Nathi Ram Gupta has over nine years of experience in the same line of business and is responsible for rice procurement for shellers and international marketing along with the management of finance. In addition to the promoters, BIEPL is managed by a group of professionals. Company is into the rice processing business since 1969. Long experience of the promoters in the rice processing industry has helped in maintaining good relations with customers from whom the company gets repeated orders.

- **Improved Operating Margins in FY25(P) though slight moderation in Revenue**

  During FY 2024–25, the company recorded revenue of ₹323.16 crore from the sale of goods, as compared to ₹433.06 crore in FY 2023–24, marking a year-over-year decline of approximately 25%. This revenue decline corresponds with an 18% reduction in sales volume from 52,505 MT to 43,151 MT. The average selling price dropped by around 10% YoY from Rs. 84,913 MT to Rs 76,131 MT amid a year characterized by high volatility in rice prices. FY 2025 was notably a year of sharp fluctuations in rice pricing. Certain months witnessed a persistent downward trend in prices, which triggered panic selling among multiple market participants. This collective response exerted additional pressure on rice sellers across the industry. Unlike many, the company chose not to participate in the race to liquidate inventory at declining prices. Instead, they prioritized long-term sustainability over short-term gains. Backed by adequate holding capacity, the company strategically retained inventory during unfavourable price movements and opted to sell only against confirmed orders from their longstanding, reliable customers.

- **Healthy profitability margin**

  The company's EBITDA remained flat to Rs. 29.19 in FY25 (Prov.) from Rs 31.74 crore in FY24 reflecting a marginal decrease of 8.03%, due to a decrease in Total operating income. Consequently, PAT declined by 10.59% to Rs. 4.44 crore in FY25(Prov.), from Rs 4.97 crore in FY24, in tandem with decrease in EBITDA. Margin wise, EBITDA witnessed a significant increase by 170 basis points in FY25(Prov.) and stood at 9.03% in comparison to 7.33% in FY24. Despite the decline in revenue, the company achieved a net profit margin of 1.37%, the highest in any fiscal year to date.

- **Comfortable capital structure and debt protection metrics**

The company adjusted tangible net worth including subordinated unsecured loan stood at Rs.0.46 crore as on March 31, 2025. The debt profile of the company mostly comprises working capital borrowings with minimal term debt repayment obligations. The capital structure of the company marked by overall gearing remained improved at 2.85x as on March 31, 2025 (3.44x as on March 31, 2024). The debt equity ratio stood satisfactory at 0.22x as on March 31, 2025. Furthermore, total indebtedness of the company marked by TOL/ATNW also remained satisfactory at 3.14x as on March 31, 2025 (3.96x as on March 31, 2024). The debt protection metrics of the company remained adequate over the past three fiscal years. The interest coverage remains satisfactory at 1.43x in FY25 as compared to 1.39x in FY24. Total debt/EBITDA and Total Debt/NCA has also improved from 5.82x and 23.38 years respectively as on March 31, 2025, to 5.87x and 26.69 years respectively March 31, 2024.

- **Favourable location**

  The company production facilities are situated in Taraori district, Karnal, Haryana. Paddy is easily accessible because the region is one of the centres for its cultivation. The company mostly purchases paddy from neighbouring states including Uttar Pradesh, Punjab, and Haryana. The company has an advantage over competitors because its manufacturing facilities are close to the areas that produce paddy in terms of favorable pricing arrangements and the raw material's ready availability. Additionally, the units are near the grain market, making it simple and convenient to purchase in large quantities at affordable prices.

Key Rating Weaknesses

- **Exposure to changes in trade policies and Government regulations**

  The company is exposed to the changes in the trade policies of key importing countries, which can impact export revenues. The company is also exposed to the changes in Government regulations such as ban on rice exports or change in the export duty on it. Nevertheless, as the company mainly deals in the basmati rice segment, production of which is surplus in India, exports are likely to continue in the near term.

- **Vulnerability to foreign exchange and exposure to agro-climatic risk**

  As exports account for a significant portion of its turnover, the company remains exposed to foreign currency fluctuation risks. However, it has a hedging mechanism for reducing the impact of fluctuations in foreign exchange rates. Further, the company is also exposed to agro-climatic risks such as availability and quality of raw materials, which have a bearing on basmati rice prices.

- **Working capital intensive nature of operation**

  The operating cycle remains elongated at 251 days in FY25 with inventory period of 229 days since paddy which the main raw material is available seasonally, the company has to hold its inventory (given the seasonality in the availability of basmati paddy and the need to store rice for ageing). While high inventory levels increase the company vulnerability towards price volatility, it is valued at a cost and carries a premium pricing due to ageing, which mitigates the impact of price volatility to some extent. Further the average working capital utilization of the company remained moderate at ~84% for past 12 months ended April 2025.

Analytical Approach: Standalone

Applicable Criteria :

Rating Methodology for Manufacturing Sector entities
Financial Ratios & Interpretation Non- Financial Sector
Criteria for assigning rating outlook
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

The company has adequate liquidity as seen by gross cash accruals of Rs. 7.27 crore in FY2025(P) as against repayment of long-term borrowings amounting to Rs. 2.78 crore. Further, the company is expected to generate cash accruals in the range of Rs. 9.57– Rs. 12.60 crore as against its debt servicing obligation of ~Rs. 2.83 – Rs. 2.69 crore FY2026-2028. The current ratio reported by the company is 1.20x in FY2025(P). All these factors reflect adequate liquidity position of the company.

About the Company

Bharat Industrial Enterprises Private Limited (BIEPL) was incorporated in 1969 as a partnership firm under the style of Bharat Rice & Oil Mills. subsequently, the firm was converted into a limited company under the name Bharat Industrial Enterprises Limited in 1997. The company processes, mills and exports basmati & non-basmati rice. BIEPL's mill is based in Karnal (Haryana) and has a rice milling capacity of 6 tonnes/hour and rice processing capacity of 12 tonnes/hour. BIEPL also trades in petrol, diesel and industrial lubricants. Company owns petrol pump in Karnal. Although, its share is 0.50% of the total revenue.

Financials (Standalone):

(Rs. crore)

For the year ended* As on	31-03-2024	31-03-2025
	Audited	Prov.
Total Operating Income	433.06	323.16
EBITDA	31.74	29.19
PAT	4.97	4.44
Total Debt	186.28	169.92
Tangible Net worth*	57.56	62.09
EBITDA Margin (%)	7.33	9.03
PAT Margin (%)	1.15	1.37
Overall Gearing Ratio (x)	3.44	2.85
ISCR (x)	1.39	1.43

**as per Infomerics standards*

Status of non-cooperation with previous CRA : Brickwork Ratings has continued the ratings in the Issuer Not Cooperating category vide its press release dated July 23, 2024 due to non-submission of information by the client

Any other information: : Nil

Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 Dated : June 04, 2024	Date(s) & Rating(s) assigned in 2024-25 Dated : May 13, 2024	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23 Dated: March 16, 2023
1	Term Loan	Long Term	12.90	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	-	IVR BBB/Stable (IVR Triple B with Stable Outlook)
2	EPC	Long Term	119.33*	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	-	IVR BBB/Stable (IVR Triple B with Stable Outlook)
3	WHR	Short Term	25.00	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	-	IVR A3+ (IVR A Three Plus)
4	PCFC	Short Term	25.00	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	-	IVR A3+ (IVR A Three Plus)
5	PSR	Short Term	1.50	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	-	IVR A3+ (IVR A Three Plus)
6	Forward Contract	Short Term	3.50	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	-	IVR A3+ (IVR A Three Plus)
7	BG	Short Term	0.50	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	-	IVR A3+ (IVR A Three Plus)

* Includes Proposed Limit of Rs. 5.33 Crore

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Press Release

About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan - 1			Aug 2029	1.90	IVR BBB/Stable (IVR Triple B with Stable Outlook)
Term Loan – 2			Nov 2029	11.00	IVR BBB/Stable (IVR Triple B with Stable Outlook)
EPC			-	119.33	IVR BBB/Stable (IVR Triple B with Stable Outlook)
WHR			-	25.00	IVR A3+ (IVR A Three Plus)
PCFC			-	25.00	IVR A3+ (IVR A Three Plus)
PSR			-	1.50	IVR A3+ (IVR A Three Plus)
Forward Contract			-	3.50	IVR A3+ (IVR A Three Plus)
Bank Guarantee			-	0.50	IVR A3+ (IVR A Three Plus)

Annexure 2: Facility wise lender details:
https://www.infomerics.com/admin/prfiles/Len-Bharat-Industrial-19june25.pdf

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com