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Dev Bhumi Cold Chain Private Limited

April 17, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	92.50	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	-	Assigned	Simple
Total	92.50	Rupees Ninety-Two Crore and Fifty Lakhs Only			

Details of Facilities/Instruments 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 Ltd. (IVR) has assigned long-term rating of IVR BBB- with a stable outlook for the long-term bank facilities of Dev Bhumi Cold Chain Private Limited.

The assigned rating takes into consideration the successful track record of operations & extensive experience of promoters of the company in the cold chain infrastructure and business / trading of fresh fruits, besides established procurement and distribution network. Further the rating derives comfort from comfortable financial risk profile of the company on the back of comfortable capital structure & debt protection metrics. However, these strengths are partially offset by company's presence in intensely competitive as well as the fragmented industry, susceptibility of operating margins to the volatility in fruit prices and changing agro-climatic conditions. In addition to that company is exposed to forex fluctuation risk as the major portion of its revenue is derived from import of fruits from number of countries.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. IVR believes that Dev Bhumi Cold Chain Private Limited will continue to benefit from its operational track record in the business and revenue visibility on the back of stable demand of fruits.

IVR has principally relied on the standalone audited financial results of Dev Bhumi Cold Chain Private Limited up to FY24 (refers to period April 1st, 2023, to March 31st, 2024) and projected



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financials for FY25, (refers to period April 1st, 2024, to March 31st, 2025) FY26 (refers to period April 1st, 2025, to March 31st, 2026) and FY27 (refers to period April 1st, 2026, to March 31st, 2027), and publicly available information/ clarifications provided by the management.

Key Rating Sensitivities

Upward Factors

- Sustained improvement in the revenue and profit margins.
- Sustenance in capital structure and debt protection metrics along with improvement in working capital cycle.

Downward Factors

- Overall gearing remaining above 3x on sustained basis.
- Any further significant rise in working capital cycle or unplanned capex leading to a deterioration in the liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters with demonstrated track record of operations in the agro-commodity industry

The promoters of the company have over 20 years of experience and specialization in farm-level procurement, logistics, and allied services, alongside the marketing and distribution of a wide range of fruits, including apples, pears, oranges, kiwis, grapes, and plums. The company operates strategic distribution centres (SDCs) in the form of cold storage facilities across key locations such as presence in Delhi, Punjab, Maharashtra, Odisha and Tamil Nadu. These cold storages are strategically located either near ports or mandis including Azadpur Mandi in Delhi, Vashi APMC market in Mumbai. The strategic location of the facilities helps the company to procure/market its products with a wide geographical reach at competitive prices. Additionally, Dev Bhumi Cold Chain Private Limited owns a control atmosphere storage (CAS) in Shimla, Himachal Pradesh, with an annual capacity of 5,500 metric tons.



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Established procurement and distribution network

Company procures fruits both domestically (~30%) as well as from the USA, Chile, New Zealand, South Africa and Italy (import: ~70%) respectively. Company procures directly from farmers' cooperatives both in India as well as outside India. The company procure fruits through farmers' cooperatives to take advantage of bulk procurement and economy in administrative as well as in logistic costs. More than 5000 farmers (directly/ indirectly) are associated with the company.

Comfortable financial risk profile

The financial risk profile of the company is comfortable, reflected by comfortable capital structure and debt protection metrics. The adjusted net worth of the company stood at Rs. 88.49 Cr as on March 31, 2024. The gearing ratio of the company improved to 1.10 times in FY24 from 1.23 times during the previous year. Improvement in gearing level is on account of accretion of profits to reserves. Adjusted Total outside liability to adjusted net worth stood at 1.12 times as on March 31, 2024 (PY: 1.30x). The debt service coverage indicators of the company are comfortable having Interest coverage ratio (ISCR) of 2.23 times as on March 31, 2024 (PY: 2.22x), while debt service coverage ratio (DSCR) stood at 1.32 times as on March 31, 2024 (PY: 1.25x). Current ratio of the company is comfortable at 1.54x at the end of 31 March, 2024 indicates company ability to meet its current liabilities from its current assets.

Key Rating Weaknesses

Presence in a highly competitive industry and sensitive to power cost

The cold storage and warehousing industry in India are highly fragmented, thus the company faces intense competition from other established and unorganized players in the industry which may exhibit a bearing on the profitability metrics. The cold chain industry in India is dominated by the presence of several domestic players catering to localized markets. The fragmented nature of industry might constrain the pricing power and the operating profit margin of the company. Besides, cost of electricity forms one of the major costs of controlled warehouses. Any chronic interruption leading to increased dependency on power backup like



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generators or adverse hike in electric charges by various state electricity boards may have a negative impact on the operating margins.

Susceptibility of the operating margin to raw materials prices vulnerable to agro-climatic conditions

Dev Bhumi Cold Chain Private Limited remain vulnerable to volatility in agro commodity prices. Managing the same through adequate pass-through to the customers remains crucial to profitability and hence the company's cash flow. The company is also susceptible to agro-climatic risk which may have bearing on the performance of the company. The cost of key raw materials (fruits including exotic fruits) form about 75% - 85% of production cost. Their prices depend on geoclimatic conditions, the domestic demand-supply including global demand-supply situation and are highly volatile in nature. This results in susceptibility to losses due to the constrained ability to immediately pass on the increase in raw material prices to its customers in the short term. Furthermore, high quality of input needs to be always maintained because any quality-related problems could negatively impact on the company's brand value. The company was able to sustain its operating margin above 7% for the three fiscals ended FY2024.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Trading Companies](#)

[Rating Methodology for Service Sector Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria for assigning rating outlook](#)

[Policy on default recognition & post-default curing period](#)

[Complexity level of rated instruments/facilities](#)

Liquidity – Adequate

The liquidity position of the company is adequate as marked by the gross cash accruals (GCA) of Rs. 9.18 crore in FY24 against debt obligations / current portion of long-term debt (CPLTD) of Rs. 0.50 crore. Gross cash accruals for the FY25-FY27 expected to be more than Rs. 12.00 crore, which are expected to be sufficient to meet its repayment of debt obligation. Company's



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average utilisation of the fund-based limits was around ~94% of the sanctioned limits over the 12 months ended February 2025. Current ratio of the company for the FY24 is 1.54 times. The unencumbered cash and cash equivalents as on March 31, 2024, is at Rs. 3.30 crore.

About the Company

Dev Bhumi Cold Chain Private Limited is a Delhi-based, fully integrated cold chain company with nearly two decades of experience. Under the leadership of Mr. Sanjay Aggarwal and Mrs. Sunila Aggarwal, company specializes in farm-level procurement, logistics, and allied services, alongside the marketing and distribution of a wide range of fruits, including apples, pears, oranges, kiwis, grapes, and plums. The company operates strategic distribution centres (SDCs) in the form of cold storage facilities across key locations such as Delhi, Mumbai, Chennai, Bangalore, Hyderabad, Ahmedabad, Uttar Pradesh, and Kolkata. Additionally, Dev Bhumi Cold Chain Private Limited owns a control atmosphere storage (CAS) in Shimla, Himachal Pradesh, with an annual capacity of 5,500 metric tons.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	211.57	204.13
EBITDA	15.18	18.90
PAT	4.55	5.21
Total Debt	102.36	97.10
Tangible Net Worth**	83.33	88.50
EBITDA Margin (%)	7.17	9.26
PAT Margin (%)	2.13	2.54
Overall Gearing Ratio#(x)	1.23	1.10
Interest Coverage (x)	2.22	2.23

**Classification as per Infomerics' standards*

***Adjusted Tangible Net Worth*

#Overall gearing ratio on adjusted tangible net worth

Status of non-cooperation with previous CRA: Nil

Any other information: NA

Rating History for last three years:



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Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-2023
1.	Fund Based - Bank Facilities	Long Term	92.50	IVR BBB- /Stable	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Ltd. (*Formerly Infomerics Valuation and Rating Private 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.

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Annexure 1: Instrument/Facility Details

Name of Facility*	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Fund Based - Bank Facilities - Cash Credit	-	-	-	-	92.50	IVR BBB-/Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-devbhumi-apr25.pdf>

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

Annexure 4: List of companies considered for consolidated/Combined 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.