

Bhardwaj Overseas Private Limited

June 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	32.85	CARE BB-; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	12.15	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Bhardwaj Overseas Private Limited (BOPL) to monitor the ratings vide e-mail communications/letters dated June 10, 2025, June 05, 2025, May 28, 2025, May 27, 2025 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings's opinion is not sufficient to arrive at a fair rating. The ratings of Bhardwaj Overseas Private Limited's bank facilities will now be denoted as **CARE BB-; Stable; Issuer Not Cooperating/ CARE A4; Issuer Not Cooperating***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating)

The ratings, factors in non-cooperation by BOPL and CARE's efforts to undertake a review of the outstanding ratings. CARE considers the non-availability of the information as a key factor in its assessment of credit risk. The ratings for the bank facilities of Bhardwaj Overseas Private Limited (BOPL) are constrained by company's thin profitability margins along with moderate scale of operations though growing, moderate capital structure and working capital intensive nature of operations. The rating also factors in risk associated with susceptibility of margins to fluctuation in raw materials prices, competitive and fragmented nature of rice industry coupled with high level of government regulation.

However, the rating derives strength from the extensive experience of promoters in the industry and locational advantage.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

(At the time of last rating on April 28, 2025, the following were the rating strengths and weaknesses)

Key weaknesses

Thin profitability along with moderate scale of operations

Total Operating Income (TOI) grew at a compounded annual growth rate (CAGR) of 15.34% in last 5 years ended FY24. TOI grew by 24% to Rs.172.57 crore in FY24 over FY23 on account of improved demand from customers as indicated by a y-o-y volume growth of 16.79%, and improvement in sales realisation. However, in FY25 there is slight moderation in the TOI as company achieved TOI of ~Rs.165 crore (unaudited).

Company has modest network base, which stood at Rs.22.49 crore as on March 31, 2024. Scale of operations remained moderate, which limits the entity's ability to scale up the business significantly. Further, competition in the industry will continue to restrict future growth prospects.

BOPL's operating profitability exhibited a stable trend with a profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin within the range of 3-4% in the past three years ended FY24. It stood modest at 3.98% during FY24, with a y-o-y improvement of 36 bps on account of moderation in overheads though sales realization remained muted owing to a competitive landscape. Profit after Tax (PAT) margin stood 0.45% (PY: 0.36%) on account of high interest and depreciation costs. During FY25, the company has achieved PBILDT of 3.15%.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

* Issuer did not cooperate; Based on best available information

Moderate capital structure and debt coverage indicators

The entity's capital structure stood moderate, as marked by an overall gearing of 1.38x as on March, 31, 2024 (1.16x as on March, 31, 2023) with high reliance on external debt. Its debt profile largely comprises of working capital debt. The total outside liabilities to net worth stood high at 2.82x as on March, 31, 2024 (2.99x as on March, 31, 2023). Though there is infusion of unsecured loans treated as quasi equity during FY24, working capital borrowings has also increased due to higher purchase of paddy during FY24 which led to continuation of moderate capital structure.

Debt coverage indicators stood marginally weak, as marked by moderate PBILDT interest coverage of 1.37x in FY24 (1.41x in FY23) and very high total debt to GCA (TD/GCA) of 16.67x in FY24 (PY:14.63x). It remained stable during the year which was on account of improvement in profitability but simultaneously increase in debt levels also.

Working capital intensive nature of business

Working capital intensity is an inherent characteristic of the rice mills as reflected by low net investment in property, plant & equipment of Rs. 17.46 crores as compared to total capital employed of Rs.54.37 crores as at March 31, 2024. Majority of its capital funds are invested in working capital requirements due to seasonal nature of business. The company procurement season is from September to March of the financial year, leading to peak debt outstanding at the end of March.

Susceptibility of margins to fluctuation in raw materials prices:

Agro-based industry is characterized by its seasonality owing to its dependence on the availability of raw materials, which further varies with different harvesting periods. The price of rice moves in tandem with the prices of paddy. Availability and prices of agro commodities are highly dependent on the climatic conditions. The timing of monsoons has a huge bearing on crop availability which determines the prevailing paddy prices. The profitability margins are therefore susceptible to the risk of any adverse price movement in the raw material prices which have remained fluctuating in the past.

Competitive & fragmented nature of industry coupled with high level of government regulation:

The commodity nature of the product makes the rice processing industry highly fragmented, with numerous players operating in the unorganized sector with very less product differentiation. Furthermore, the concentration of rice millers around the paddy growing regions makes the business intensely competitive.

Key strengths

Experienced promoters

BOPL is promoted by Mr Sunil Bhardwaj and Mr Vinod Kumar (brothers). Bhardwaj overseas Private Limited is engaged in the rice processing of business since 2015. The decade-long experience of the promoters in the rice milling industry has helped them gain a sound understanding of market dynamics and establish healthy relationships with suppliers and customers. Furthermore, the promoters are assisted by a team of experienced professionals in managing the company's daily business operations.

Promoters of the company are highly resourceful and supported the business by infusing USLs as when required. In FY24, USLs stood at Rs.16.64 crore (PY: Rs.13.53 crore)

Locational Advantage

Being located in Karnal, BOPL enjoys a significant advantage due to the easy availability of raw materials. Karnal, known as the "Rice Bowl of Haryana," is a major rice-producing area, ensuring a steady and abundant supply of high-quality paddy. This proximity to raw materials reduces transportation costs, minimizes delays, and enhances the overall efficiency of the milling process. Additionally, the local expertise in rice cultivation and processing further supports the company's operations, contributing to its competitive edge in the market.

Liquidity: Stretched

The company has a stretched liquidity position, with a term loan repayment of Rs. 1.88 crore due in FY26, compared to an anticipated cash accrual of around Rs. 2.50 crore for FY26. Bank limit utilization averaged more than 90% over the 6 months ending March 31, 2025. However, the company's liquidity is supported by unsecured loans of approximately Rs. 16.64 crore as of March 31, 2024. The promoters are committed to maintaining these loans within the business to support working capital needs. These USLs are required to maintained as per sanctioned terms & conditions.

Assumptions/Covenants- Not Applicable

Environment, social, and governance (ESG) risks- Not Applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products

Bhardwaj Overseas Private Limited (BOPL), based in Karnal, Haryana, was incorporated in June 2015 by Vinod Kumar and Sunil Bhardwaj. The company is engaged in the activity of processing Basmati Rice (11-21 quality and 17-18 quality). BOPL operates a processing plant in Gangatheri, Haryana, with an installed capacity of 150 MT (per day). They market their products under the brand name Zarifaz.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	138.80	172.57	165.00
PBILDT	5.02	6.86	5.19
PAT	0.50	0.78	NA
Overall gearing (times)	1.16	1.38	NA
Interest coverage (times)	1.41	1.37	1.66

A: Audited; UA: Unaudited; NA: Not Available Note: these are latest available financial results

Status of non-cooperation with previous CRA:

Brickwork has continued the ratings assigned to the bank facilities of Bhardwaj Overseas Private Limited as "Issuer Not Co-operating" vide its press release dated January 28, 2025 on account of its inability to carryout review in the absence of requisite information from the company

CRISIL has the ratings assigned to the bank facilities of Bhardwaj Overseas Private Limited as "Issuer Not Co-operating" vide its press release dated June 09, 2025 on account of its inability to carryout review in the absence of requisite information from the company

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	29.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	30-September-2027 [^]	3.85	CARE BB-; Stable; ISSUER NOT COOPERATING*
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	-	-	-	-	12.15	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

[^]Maturity date might change as there are multiple term loans herein we have taken the longest tenor term loan's last repayment.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	3.85	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (28-Apr-25)	-	-	-
2	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	12.15	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB-; Stable / CARE A4 (28-Apr-25)	-	-	-
3	Fund-based - LT-Cash Credit	LT	29.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (28-Apr-25)	-	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Puneet Kansal Director CARE Ratings Limited Phone: 120-4452018 E-mail: puneet.kansal@careedge.in
Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Sandeep Aggarwal Associate Director CARE Ratings Limited Phone: E-mail: Sandeep.aggarwal@careedge.in Shabnam Goyal Lead Analyst CARE Ratings Limited E-mail: shabnam.goyal@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CARE and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**