Bhaskar Industries Private Limited

December 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	184.00 (Reduced from 205.38)	CARE BBB+; Stable	Reaffirmed
Short-term bank facilities	18.00	CARE A3+	Reaffirmed
Long-term / Short-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings reflects the adequate operational and financial performance of Bhaskar Industries Private Limited (BIPL) in FY25 and 8MFY26, which is expected to continue in near-to-medium term on the back of its integrated operations in denim manufacturing, diversified product profile, and relationships with reputed customers. Ratings continue to positively factor in BIPL's strong promoter group with group's flagship entity being D B Corp Limited (rated 'CARE AA+; Stable/CARE A1+') and company's experienced management in textile industry.

BIPL reported total operating income (TOI) of ₹761 crore in FY25 (PY: ₹728 crore) on the back of increase in sales volumes. Its profit before interest, leases, depreciation and taxation (PBILDT) margin improved by ~400 bps to 10.69% in FY25 considering improved operational efficiency in spinning process and moderate cotton prices and healthy product realisation. Scale of operations is expected to gradually improve with sustained margin above 10% owing to upcoming capex related to process automation and machine upgradation.

The capital structure continued to remain moderate with an overall gearing of 0.76x as on March 31, 2025. The debt coverage indicators also continued to remain moderate with interest coverage ratio and total debt/PBILDT at 3.57x and 2.90x, respectively, as on March 31, 2025. CARE Ratings Limited (CareEdge Ratings) notes that the company plans to undertake debt-funded capex with an estimated cost of ₹100 crore for automation and machinery upgradation over the medium term. Generation of the envisaged benefits from the aforesaid capex and its impact on the overall credit metrics shall remain crucial.

Ratings remain constrained by BIPL's elongated working capital cycle and exposure to raw material price volatility and foreign exchange rates. The company also remains exposed to intense competition in the industry which limits pricing flexibility.

CareEdge Ratings continues to take note of sizeable investments deployed for revival of an old textile mill, which remains stagnant due to regulatory challenges. These were funded through redeemable preference shares subscribed by the promoter group, redemption of which is ongoing and is expected to be completed by FY28-end translating into sizeable annual cash outflows.

CareEdge Ratings also continues to take cognisance of hefty income tax demands imposed on the entity, which is presently contested. Any crystallisation of the aforesaid liability could adversely impact BIPL's liquidity.

CareEdge Ratings has withdrawn ratings of 'CARE BBB+; Stable/CARE A3+' outstanding on one of the bank facilities of BIPL with immediate effect. This action has been taken at the request of BIPL and based on the 'No Due Certificate' received from the lender that have extended the facilities rated by CareEdge Ratings, in accordance with CareEdge Ratings' policy on withdrawal of ratings.

CareEdge Ratings has also withdrawn the outstanding rating assigned to the proposed bank facilities based on the declaration from BIPL that such limits have not been availed and there is no outstanding against such proposed rated limits.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations to over ₹800 crore with sustained PBILDT margin above 10%.

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

- Improvement in adjusted overall gearing (adjusted for investments in stalled projects) below 0.75x and total debt/PBILDT below 2x on a sustained basis.
- Increase in PBILDT interest cover above 3.5x on a sustained basis.

Negative factors

- Significant decline in revenue with PBILDT margin below 8.5% on a sustained basis.
- Any unanticipated debt-funded capex or increase in working capital intensity translating into adjusted overall gearing above 1.2x on a sustained basis.
- Crystallisation of contingent liabilities adversely impacting liquidity.

Analytical approach: Standalone and factoring synergies with Dainik Bhaskar Group.

Outlook: Stable
The stable outlook reflects CareEdge Ratings' expectations that BIPL will continue to maintain adequate debt coverage metrics while benefitting from its experienced promoters and long association with reputed clients.

Detailed description of key rating drivers:

Key strengths

Part of Dainik Bhaskar group with professionally lead management
BIPL is a part of the Dainik Bhaskar (DB) group, promoted by the Agarwal family and is well known for its association with print media through D B Corp Ltd (DBCL, rated 'CARE AA+; Stable / CARE A1+'), which is one of the leading print media companies in India. DB group is a diversified conglomerate with interests in businesses, such as textiles, FM radio, and real estate development, apart from its traditional business of being a newspaper publication house. BIPL's association with a strong promoter group lends it financial flexibility in case of exigencies. The company is professionally managed by personals having over 20 years of experience in textile industry.

Integrated denim manufacturing capacities with track record of healthy utilisation
BIPL has an established integrated denim manufacturing facilities ranging from spinning to yarn dying to weaving and finishing. As on March 31, 2025, BIPL had denim manufacturing capacity of ~38.6 million metres per annum (MMPA) and spinning capacity of 13,000 metric tons per annum (MTPA). It has a track record of healthy capacity utilisation of above 80% for both its spinning and weaving capacities, which indicate high plant efficiency leading to better fixed cost absorption. Its integrated manufacturing capacities enable it to capture a larger portion of the textile value chain while retaining control over product quality which provides some pricing power in an otherwise commoditised industry.

Diversified customer base with some diversification from exports
BIPL's customers are geographically diversified as the company sells its products both domestically and exports it across countries. In FY25, it derived ~20% of its revenue from exports with Bangladesh accounting for ~80% of total export in FY25 and Mexico and Sri Lanka being other major export destinations. In the domestic market, BIPL has a diversified and reputed customer base with no single customer accounting for over 10% of gross sales. Its top 10 customers contributed 28% of the TOI in FY25 (PY: 32%). Its established relations with large customers with a history of repeat orders provides some revenue visibility.

Key weaknesses

Moderate capital structure and sizeable contingent liability
BIPL's total debt marginally elevated in FY25 owing to increase in working capital requirements with elongated receivables. This coupled with part redemption of preference shares and continued sizeable investments in a stagnated project resulted into a high adjusted overall gearing and total outside liabilities to total net worth (TOL/TNW) of 1.2x and 1.52x, respectively, as on March 31, 2025 (PY: 1.18x and 1.44x).

The company has investments worth ₹115 crore, which is 37% of the net worth as on March 31, 2025. Of this, ₹100 crore is invested in India United Mills since 2007, which was aimed at reviving the old textile mill where 51% ownership is with United Mills and the balance by BIPL. However, as articulated by the management, the project is stalled due to the lack of further action from the government. Fructification of the said investments and/or recoupment of the invested amount remains crucial. Apart from this, the company also has significant liability towards income tax demands of ₹75 crore pertaining to earlier years. As articulated by the management, the company has appealed against the demand for which it deposited 20% of the contested amount and does not expect significant liability from the cases. However, crystallisation of the contingent liability could adversely impact BIPL's liquidity.

The debt coverage indicators also continued to remain moderate with interest coverage ratio and total debt/PBILDT at 3.57x and 2.90x as on March 31, 2025.

Going forward, per the management, the company plans to undertake debt-funded capex with an estimated cost of ₹100 crore for automation and machinery upgradation over the medium term. Generation of the envisaged benefits from the aforesaid capex and its impact on the overall credit metrics shall remain crucial.

Working capital intensive nature of operations
BIPL's operations remain working capital intensive due to sizeable inventory holding requirements, owing to seasonal availability of cotton reflected by working capital cycle of 147 days in FY25 (PY: 137 days). However, adjusting for yarn production, which is captively consumed, working capital cycle stands better. The company generally offers ~60 days credit to its customers. It had overdue receivables of ₹28 crore as on March 31, 2025, which are likely to be recovered over the next 1-2 years per management's expectations. The company continues to procure cotton/cotton yarn from domestic players mainly against cash basis and also against credit and generally observes higher utilisations in February to April month.

Volatility in raw material prices and foreign exchange rates with presence in competitive industry
Major raw materials used by BIPL include cotton/cotton yarn. Cotton prices are volatile in nature driven by factors such as area under cultivation, yield for the year, government regulation and pricing, among others. Hence profitability continues to remain highly susceptible to raw material price fluctuation which has exhibited considerable volatility in the past. However, BIPL mainly follows order-based production policy where large quantum of the goods are produced against orders which minimises inventory fluctuation risk. Also, the price pass through to the customers partially mitigates the pricing risk to an extent.

Additionally, BIPL continues to face risk of volatilities in foreign exchange rates as the company derives ~15-20% of revenue from exports, which are majorly to Bangladesh based garment manufacturers.

The textile industry is also highly competitive and fragmented in nature with a large number of players operating in the organised and unorganised sectors.

Liquidity: Adequate
Liquidity is adequate marked by adequate cashflow generation, which has facilitated prepayments in FY26 and the scheduled repayments of term debt. In 8MFY26, the company repaid its entire term debt obligations of ₹17.48 crore (including prepayments worth ~₹8.5 crore). The utilisation of the working capital limits, however, remained sizeable, averaging above 85% for past 12 months ending November 2025. Going forward, the company is expected to generate adequate accruals to meet the liability towards redemption of preference shares and deployment of funds for its routine and growth capex. Free cash and bank balance stood at ₹5.25 crore as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria
Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
Cotton Textile
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Textiles	Textiles and apparels	Other textile products

Incorporated in 1985, BIPL is an integrated denim manufacturer with facilities ranging from spinning, yarn dying, weaving, and finishing with an installed fabric weaving and processing capacity of ~37.7 MMPA and spinning capacity of 13,000 MTPA. It is a part of the Dainik Bhaskar (DB) Group promoted by the Agarwal family, which is well known for its association with print media through, DB Corp Ltd, one of the leading print media companies in India.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26 (UA)
Total operating income	728.35	760.98	501.00
PBILDT	49.53	81.37	55.00
PAT	1.89	31.22	26.25
Overall gearing (times)	0.73	0.76	NA
Interest coverage (times)	2.13	3.57	4.58

A: Audited UA: Unaudited; NA: Not Available Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

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		-	-	-	160.00	CARE BBB+; Stable
Fund-based - LT-Term Loan		-	-	June-2026	24.00	CARE BBB+; Stable
Fund-based - LT/ ST-Bill Discounting/ Bills Purchasing		-	-	-	0.00	Withdrawn
Fund-based - LT/ ST-Vendor financing		-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC		-	-	-	18.00	CARE A3+

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	Non-fund-based - ST-BG/LC	ST	18.00	CARE A3+	-	1)CARE A3+ (03-Jan-25)	1)CARE A3+ (05-Dec-23)	1)CARE A3+ (22-Nov-22) 2)CARE A3 (04-Oct-22)
2	Fund-based - LT-Cash Credit	LT	160.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (03-Jan-25)	1)CARE BBB+; Stable (05-Dec-23)	1)CARE BBB+; Stable (22-Nov-22) 2)CARE BBB; Stable (04-Oct-22)
3	Fund-based - LT-Term Loan	LT	24.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (03-Jan-25)	1)CARE BBB+; Stable (05-Dec-23)	1)CARE BBB+; Stable (22-Nov-22) 2)CARE BBB; Stable (04-Oct-22)
4	Fund-based - LT/ ST-Vendor financing	LT/ST	-	-	-	1)CARE BBB+; Stable / CARE A3+ (03-Jan-25)	1)CARE A3+ (05-Dec-23)	1)CARE A3+ (22-Nov-22) 2)CARE A3 (04-Oct-22)
5	Fund-based - LT/ ST-Bill Discounting/ Bills Purchasing	LT/ST	-	-	-	1)CARE BBB+; Stable / CARE A3+ (03-Jan-25)	1)CARE BBB+; Stable (05-Dec-23)	1)CARE BBB+; Stable (22-Nov-22)

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
								2)CARE BBB; Stable (04-Oct-22)

LT: Long term; ST: Short 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	Fund-based - LT/ ST-Bill Discounting/ Bills Purchasing	Simple
4	Fund-based - LT/ ST-Vendor financing	Simple
5	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view 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.

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About us:

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