

Suvarnabhoomi Enterprises Private Limited

March 25, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	36.60	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	17.50	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Suvarnabhoomi Enterprises Private Limited (SEPL) derive strength from experienced promoters and long presence of the Christy group in the ready-to-eat food segment, well-established manufacturing facilities, the group's strong supply chain, and satisfactory capital structure.

However, ratings are constrained by working capital intensive operations, profitability margins exposed to risks related to tender-driven business, and raw material price volatility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistently growing scale of operations to above ₹1,200 crore while maintaining profit before interest, lease rentals, depreciation and tax (PBILDT) margins above 4%.
- Improving total debt (TD)/PBILDT to below 5x.

Negative factors

- Deteriorating gearing levels above 2x and increasing exposure to the group entities in the non-core business areas.
- Deteriorating liquidity position, severely impacting debt coverage indicators.

Analytical approach: Combined

For arriving at the rating, CARE Ratings Limited (CareEdge Ratings) has combined the business and financial risk profiles of SEPL and group companies, Fair Deal Venture Private Limited (FDVPL), Christy Friedgram Industry (CFI), Christy Friedgram Industry Private Limited (CFIPL), and Handhold Ventures Private Limited (HV); (referred to as the Christy group). This is because all entities are in similar lines of business, have common management, and share business synergies. Entities combined are listed under Annexure-6.

Outlook: Stable

The 'Stable' outlook reflects the group is expected to sustain its operational performance and adequate liquidity in the medium term, supported by successful renewal of integrated child development services (ICDS) and egg supply contracts, and its long-standing presence in the agricultural commodities business.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and established presence of the group in supply of ready-to-eat food under ICDS

The Christy group commenced operations in 1988 with establishment of its proprietorship entity, CFI, by Kumarasamy, focusing on processing cereals and pulses. The group entered production of ready-to-eat and weaning foods a few years after the first ICDS scheme was announced in Tamil Nadu. ICDS is an Indian government welfare programme which provides food, preschool education, and primary healthcare to children under six years and their mothers. In Tamil Nadu, ICDS is implemented through 54,483 Anganwadi Centres functioning under 434 ICDS projects. Since inception, the group has grown to serve over 45,000 Anganwadis providing nutritious food to over 21 lakh children, three lakh adolescent girls, and over six lakh pregnant women and lactating mothers. From January 2024, operations of CFI are being transferred to CFIPL, a private limited company. ICDS contracts are renewed under CFIPL, and going forward, CFI will book only rental and interest income. The Christy group also supplies eggs

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

to the school children for noon meal programme under ICDS scheme, and supplies pulses, sugar, and oil to Tamil Nadu Civil Supplies Corporation Limited (TNCSC; rated 'CARE BBB+; Stable') under public distribution scheme (PDS). However, proportion of sales under PDS scheme reduced over the years.

Well-established manufacturing facilities with adherence to quality standards

The group has a manufacturing facility in CFIPL, spread across 581,000 sq. ft. of land with total built-up area of 226,000 sq. ft. The main production area is ~127,000 sq. ft and the storage godown space is ~100,000 sq ft. The factory has bulk capacity to receive and stock over 20,000 tonne raw materials. The unit has capacity of manufacturing 500 metric tonne per day of high-quality weaning food, ready-to-eat food, and supplementary nutrition food. To ensure product quality, the group has Project Consultancy arrangements with eminent research institutions of Government of India, including Central Food Technological Research Institute (CFTRI), Mysore, Defence Food Research Laboratory (DFRL), Mysore, and National Institute of Nutrition (NIN), Hyderabad. The laboratory has been accredited with National Accreditation Board for Testing and Calibration Laboratories (NABL) certification and Department of Scientific and Industrial Research (DSIR) registration.

Strong procurement and distribution network

The Christy group serves over 45,000 Anganwadis providing nutritious food to over 21 lakh children. The group procures raw materials, such as wheat, pulses, ragi, jaggery powder, and maize, directly from farmers and also through agents and National Bulk Handling Corporation (NBHC).

The group has over 500 vendors across India to meet the delivery targets. The group also has ~50-60 employees directly managing procurement operations and maintains an updated database of vendors across India. Vendors who fit the requirement submit their details and a minimum of three samples. Samples are tested by the quality department and passed through stringent checks. These processes enable the group to rate vendors and update ratings on a regular basis. The group manages the distribution network on its own for ICDS supplies. The group also has employees deployed to handle despatch of products and manage the supply chain.

Satisfactory capital structure, however, exposure to group entities and corporates

The group's overall gearing improved to 0.24x as on March 31, 2025 (PY: 0.27x), supported by deleveraging measures undertaken in the last two years to align debt levels with reduced scale of operations. The group also curtailed unsecured borrowings from group entities and corporates. It has no long-term debt obligations and working capital borrowings constituted ~52% of total borrowings as on March 31, 2025 (PY: 49%), with balance comprising unsecured loans. A substantial portion (62% in FY25 and 38% in FY24) of the group's net worth continues to be deployed in other group entities and corporates, against which the group earns interest income. Adjusted gearing (adjusted for exposure in the form of loans and advances) stood at 0.64x as on March 31, 2025, which increased from 0.44x as on March 31, 2024. Debt coverage metrics stood comfortable with TD to gross cash accruals (GCA) of 4.34x as on March 31, 2025 (PY: 3.86x).

Key weaknesses

Drop in operating income in FY25

The group's operating income declined from ₹727.01 crore in FY24 to ₹645.04 crore in FY25, considering reduced participation in the short-term PDS tenders from TNCSC amid increased competition and thin profit margins post relaxation in tender participation norms by TNCSC. While decline in volumes from short-term PDS tenders was anticipated, the group continues to generate stable revenue from the supply of weaning food and eggs under the ICDS scheme, with regular renewal of contracts. Trading contributes ~53% total income, with balance derived from weaning food and other income. The egg supply contract has been renewed and remains valid until December 2026, and the weaning food contract is also valid through December 2026, providing revenue visibility in the medium term.

Exposure to risks related to tender-driven business and raw material price volatility

The group enters in to fixed-price contract for two years for weaning food and one year of egg supply under ICDS scheme with the Government of Tamil Nadu (GoTN). Most revenues are tender based, and revenue visibility depends on the group's ability to successfully bid for projects. Since prices are fixed at the time of bidding, the group cannot pass on increase in raw material prices to its end-users. However, the group quotes its prices considering increase in raw material prices in line with inflation in the two-year contract period, which would mitigate raw material price risk to some extent. Prices of raw materials such as wheat, ragi, jaggery and sugar exhibited volatility in the past. As a result of fixed price contract for a large part to the business operations, the company's margins exhibit volatility. The group focusses on increasing revenue from weaning food production and egg supply contracts, which generally fetches better margins compared to agro commodity trading business under PDS scheme.

Liquidity: Adequate

The group's liquidity is adequate marked by sufficient cash accruals against nil repayment obligations. The group generally holds 2-3 months' stock for its requirement for production of weaning and ready-to-eat food. The group relies on large working capital for procurement of raw materials in bulk. Average utilisation of working capital limits of group stood at 82.97% for 12 months ended February 2026. The group also had free cash and liquid investments of ₹104.36 crore as on March 31, 2025.

Assumptions/Covenants: Not applicable**Environment, social, and governance (ESG) risks:** Not applicable**Applicable criteria**

[Definition of Default](#)

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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

SEPL was incorporated in 2009, and supplies eggs under the mid-day meal programme and provides pulses and oil to TNCS under PDS. FDVPL was formed in 2012, to focus on wholesale trading agricultural commodities across Tamil Nadu, supporting the group's overall food-supply and trading operations. CFIP is the flagship operating arm of the Christy Group, engaged in producing weaning foods and ready-to-eat nutrition products supplied to Government of Tamil Nadu departments under the ICDS scheme, and trading key agro-commodities.

Brief financials- Standalone (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	328.99	212.49	102.51
PBILDT*	1.09	6.24	5.87
PAT	5.69	8.70	6.50
Overall gearing (times)	0.15	0.13	NA
Interest coverage (times)	0.54	1.58	4.19

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Brief financials- Combined (₹ crore)	FY24 (UA)	FY25 (UA)	H1FY26 (UA)
Total operating income	727.01	645.04	434.86
PBILDT*	(198.82)	25.64	17.23
PAT	42.94	33.36	16.34
Overall gearing (times)	0.27	0.24	NA
Interest coverage (times)	(6.67)	1.46	3.48

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		-	-	-	36.60	CARE BBB-; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	17.50	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	Fund-based - LT-Cash Credit	LT	36.60	CARE BBB-; Stable	-	1)CARE BBB-; Stable (13-Mar-25)	1)CARE BBB-; Stable (04-Mar-24)	1)CARE BBB-; Negative (03-Mar-23) 2)CARE BBB-; Negative (05-Apr-22)
2	Non-fund-based - ST-Bank Guarantee	ST	17.50	CARE A3	-	1)CARE A3 (13-Mar-25)	1)CARE A3 (04-Mar-24)	1)CARE A3 (03-Mar-23) 2)CARE A3 (05-Apr-22)

LT: Long term; ST: 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 - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities combined

S.No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Christy Friedgram Industry Private Limited	Full	Operational and financial linkages
2	Fair Deal Venture Private Limited	Full	Operational and financial linkages
3	Christy Friedgram Industry	Full	Operational and financial linkages
4	Handhold Ventures Private Limited	Full	Operational and financial linkages

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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