

Press Release

Bhanu Farms Limited

August 06, 2019



Rating Withdrawn

Total Bank Facilities Rated*	Rs. 32.10 Cr.
Long Term Rating	ACUITE D Issuer not co-operating (Withdrawn)
Short Term Rating	ACUITE D Issuer not co-operating (Withdrawn)

*Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long term and short term rating of '**ACUITE D** (read as ACUITE D)' on the Rs. 32.10 crore bank facilities of Bhanu Farms Limited (BFL). The rating withdrawal is in accordance with the Acuité's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and NOC from the banker.

Established in 2010, BFL is a Kolkata-based company that provides cold storage facilities to farmers to store fruits and vegetables. The company has also launched its own brand of frozen food products under the 'Bangur Nature's Gold' and 'Bangur Insta Bite' names in Kolkata, Siliguri, Bhubaneswar and Patna.

Analytical approach

Acuité has considered the standalone business and financial risk profile of BFL.

About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	19.00	16.36	21.62
EBITDA	Rs. Cr.	1.41	(1.67)	(7.22)
PAT	Rs. Cr.	(2.17)	(4.51)	(12.17)
EBITDA Margin	(%)	7.42	(10.18)	(33.41)
PAT Margin	(%)	(11.40)	(27.56)	(56.30)
ROCE	(%)	1.78	(2.15)	(14.67)
Total Debt/Tangible Net Worth	Times	1.49	1.28	0.93
PBDIT/Interest	Times	1.01	0.26	(2.18)
Total Debt/PBDIT	Times	11.28	41.48	(4.20)
Gross Current Assets (Days)	Days	533	635	423

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-6.htm>
- Application of Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.htm>

Note on complexity levels of rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
12-Jun-2019	Term Loan	Long Term	10.55	ACUITE D (Downgraded)
	Proposed Term Loan	Long Term	3.19	ACUITE D (Downgraded)
	Cash Credit	Long Term	11.50	ACUITE D (Downgraded)
	Proposed Cash Credit	Long Term	1.81	ACUITE D (Downgraded)
	Proposed Bank Facility	Long Term	0.05	ACUITE D (Downgraded)
	Bank Guarantee	Short Term	5.00	ACUITE D (Downgraded)
03-Apr-2018	Term Loan	Long Term	10.55	ACUITE D (Downgraded)
	Proposed Term Loan	Long Term	3.19	ACUITE D (Downgraded)
	Cash Credit	Long Term	11.50	ACUITE D (Downgraded)
	Proposed Cash Credit	Long Term	1.81	ACUITE D (Downgraded)
	Proposed Bank Facility	Long Term	0.05	ACUITE D (Downgraded)
	Bank Guarantee	Short Term	5.00	ACUITE D (Downgraded)
26-Dec-2016	Term Loan	Long Term	10.55	ACUITE B- / Stable (Reaffirmed)
	Proposed Term Loan	Long Term	3.19	ACUITE B- / Stable (Assigned)
	Cash Credit	Long Term	11.50	ACUITE B- / Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	1.81	ACUITE B- / Stable (Assigned)
	Derivative Exposure	Long Term	0.05	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Reaffirmed)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loan	Not Applicable	Not Applicable	Not Applicable	10.55	ACUITE D (Indicative) (Withdrawn)
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	3.19	ACUITE D (Indicative) (Withdrawn)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.50	ACUITE D (Indicative) (Withdrawn)
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.81	ACUITE D (Indicative) (Withdrawn)
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.05	ACUITE D (Indicative) (Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE D (Indicative) (Withdrawn)

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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