



**Press Release**  
**CALIFORNIA AGRI NUTS CORPORATION**  
**August 07, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BB   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	20.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuité has reaffirmed its long term rating of ‘**ACUITE BB**’ (read as **ACUITE Double B**) on Rs. 20 Cr. bank facilities rating of California Agri Nuts Corporation. The outlook remains ‘**Stable**’.

**Rating for Rationale:**

CANC’s rating reflects a marked improvement in operating performance in FY2025 (Provisional), with increase in revenue to Rs. 411.34 Cr. from Rs. 321.61 Cr. in FY2024, led by increased sales of almonds and other dry fruits, supported by higher volumes and improved price realization. Profit margins saw slight increase due to favourable procurement costs and reduced employee expenses, while ROCE rose to 15.16%. The firm’s financial risk profile was average characterized by high gearing and a decline in net worth due to capital withdrawal, though debt protection metrics remain comfortable. Liquidity is supported by steady cash accruals and management’s ability to infuse funds, despite a decline in current ratio and high bank limit utilization. Working capital operations remain efficient, aided by reduced inventory holding and stable receivables. However, the rating is constrained by CANC’s presence in a competitive and fragmented industry, which may pressure margins and scalability over the medium term.

**About the Company**

Established in 2008, California Agri Nuts Corporation (CANC) is a Delhi based partnership firm engaged in the trading of dry fruits and spices. The day-to-day operations are managed by partners, Mr. Raju Bhatia and Mrs. Simi Bhatia. The firm imports dry fruits from across the world (Australia, USA and others) and sells them pan India.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Acuite has taken standalone financial and business risk profile of California Agri Nuts Corporation to arrive at this rating.

**Key Rating Drivers**

**Strengths**

**Benefits derived from experience management:**

The firm has a vintage of operation of more than a decade in the business of trading dry fruits and spices enabled by the experienced partners. Mr. Raju Bhatia, partner of the firm, is the Indian Ambassador of the International Nut & Dry Fruit Council (INC). Over the years, the firm has been able to develop healthy relationships with both customers and suppliers. Acuite believes that CANC will benefit from the existing market presence and management competence in the medium term.

**Increase in Operating performance:**

CANC's operating performance in FY25 (prov.) reflects a notable improvement, with total operating revenue rising 27.9% to Rs. 411.34 crore from Rs. 321.61 crore in FY24, driven primarily by increased sales volume and better price realization of almonds, pistas, and walnuts. Out of total operating revenue, around 83% of total operating income was contributed by selling almonds. The firm's strategic focus on festive-season demand is evident from

the 63% revenue concentration in Q2 and Q3 of FY 25. Around 60% of total revenue is concentrated in the state of Delhi. Despite the competitive nature of the dry fruit market, CANCE managed to enhance its operating and net profit margins slightly to 1.09% and 0.45% in FY 2025 (prov) from 0.93% and 0.39% in FY 2024, respectively, due to better procurement prices of the dry fruits. Acuite expects that CANCE's operational performance will further continue to grow in the medium term.

### **Efficient Working Capital Operations**

CANCE's working capital cycle remained efficient in FY2025 (Prov.) with Gross Current Assets (GCA) days improving to 33 days in FY25(prov) from 35 in FY2024, primarily due to a reduction in inventory holding from 19 days in FY24 to 15 days in FY25(prov). While the debtor collection cycle slightly increased from 9 days in FY24 to 11 days in FY25(prov), it still reflects healthy receivables management. Meanwhile, accounts payable days rose from 2 days in FY24 to 9 days in FY25(prov), suggesting the firm benefitted from extended supplier credit. Acuite believes that the firm to maintain this stable and efficient working capital pattern over the medium term.

### **Weaknesses**

#### **Average Financial risk profile:**

CANCE's financial risk profile in FY2025 (Prov.) reflects a decline in net worth to Rs. 7.00 Cr. from Rs. 8.65 Cr. in FY2024, primarily due to capital withdrawal for transfer to a group entity. The Gearing levels (debt-to-equity) stood high at 2.93 times as on March 31, 2025 (Prov.) as against 2.45 times in FY 2024. The debt profile of the firm comprises of unsecured loans and short-term borrowings. Unsecured loan is in the form of loan taken related parties and other entities. The interest coverage ratio and Debt Service Coverage Ratio stood comfortable at 1.80 times In FY2025 (Prov.) as against 1.86 times in FY2024. Total outside liabilities to total net worth (TOL/TNW) stood 4.44 times in FY2025 (Prov.) as against 2.72 times in FY2024. Debt-EBIDTA stood 4.56 times in FY2025 (Prov.) as against 7.10 times in FY2024. Acuite believes that, decrease in unsecured loan and capital infusion will improve their financial risk profile in the medium term.

#### **Intense competition with foreign exchange fluctuation risk:**

The dry fruits industry is highly competitive with multiple players coupled with low entry barrier which results into intense competition from both organized as well as unorganized players. Furthermore, the firm is vulnerable to fluctuations in foreign exchange because of its extensive imports and lack of a hedging policy.

### **Rating Sensitivities**

1. Movement in Revenue and profitability
2. Capital withdrawal
3. Working capital management
4. Improvement in TOL/TNW and capital structure

### **Liquidity Position**

#### **Adequate**

The firm has an adequate liquidity position marked by a net cash accrual of Rs. 2.00 Cr. in FY2025 (provisional) as against nil debt obligation as compared to net cash accruals of Rs. 1.38 Cr. In FY2024 as against nil debt obligation. The management has the flexibility to infuse funds into the business as reflected in unsecured loans of Rs. 9.24 Cr in FY2025. The current ratio declined to 1.70 times at FY2025 (Prov.) compared to 2.22 times at FY2024, driven by an increase in trade payable. Bank limit utilization averaged 80% over the past 12 months ending March 25, indicating a moderate reliance on external debt. Overall, Acuite believes that CANCE's liquidity profile is expected to remain adequate over the medium term, supported by steady accruals and management's demonstrated funding support.

### **Outlook: Stable**

#### **Other Factors affecting Rating**

None.

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	411.34	321.61
PAT	Rs. Cr.	1.86	1.26
PAT Margin	(%)	0.45	0.39
Total Debt/Tangible Net Worth	Times	2.93	2.45
PBDIT/Interest	Times	1.80	1.86

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

Not Applicable.

### Any other information

None.

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 May 2024	Cash Credit	Long Term	20.00	ACUITE BB   Stable (Upgraded from ACUITE B+)
15 Apr 2024	Cash Credit	Long Term	20.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-   Stable)
19 Jan 2023	Cash Credit	Long Term	20.00	ACUITE BB-   Stable (Upgraded from ACUITE B+)
20 Jun 2022	Cash Credit	Long Term	20.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-   Stable)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BB   Stable   Reaffirmed

## Contacts

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### About Acuité Ratings & Research

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