

Press Release
BHANU AGRO
October 28, 2025
Rating Upgraded



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	16.50	ACUITE BB+ Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	16.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has upgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 16.50 Cr. bank facilities of Bhanu Agro (BA). The outlook remains '**Stable**'.

Rationale for rating

The rating upgrade takes into account the growing scale of operations of the firm and also draws comfort from the efficient working capital operations. However, the financial risk profile though improving continues to remain moderate with low networth and moderate debt protection metrics. Moreover, the rating is constrained on account susceptibility to volatility in the operational income on account of macro-economic factors like demand and price of the commodities.

About the Company

Established in 2017 by Mr. Kishor Valjibhai Bhanushali, Mr. Vasant Valjibhai Bhanushali and Mr. Valjibhai Chandulal Bhanushali, Bhanu Agro is a partnership firm based in Gujarat, engaged in the business of refining edible oil from crude palm, soyabean, sunflower and also involved in trading of edible oil. The firm sells its products in the market under their brand names of 'Bhanu Tasty' and 'Rich Lite.' The firm has its plant located in Gandhidham with oil refining capacity of 250 MTPD.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone financial and business risk profile of Bhanu Agro to arrive at the rating.

Key Rating Drivers

Strengths

Extensive experience of the promoters

BA is a partnership firm established in 2017 by Mr. Valjibhai Chandulal Bhanushali and his sons.

The day-to-day operations are managed by Mr. Kishor Bhanushali and Mr. Vasant Bhanushali, who possess over two decades of experience in the trading of edible and non-edible oil business. This has enabled the firm to establish its market position and build healthy relationships with their customers and suppliers.

Growing scale of operations

The firm's operating revenue increased by ~42 percent to Rs. 514.76 Cr. in FY2025 (Prov.) from Rs. 361.05 Cr. in FY2024, primarily driven by higher price realizations. Despite this revenue growth, profitability remained constrained, with operating margins moderating to 1.69 percent in FY2025 (Prov.) from 1.83 percent in FY2024 due to elevated procurement costs. Further, the firm has reported revenue of Rs. 187.12 Cr. in H1 FY2026.

Going forward, improvement in profitability margins while sustaining revenue growth will be a key rating sensitivity.

Efficient working capital operations

The operations of the firm are working capital efficient as evident from gross current asset days of 30 days on March 31, 2025 (Prov.) with minimal inventory days and efficient recovery period. However, the supplier period is also low and procurement is majorly on advance basis. Therefore, the average bank limit utilisation stood moderate at ~83 percent for the last six months ended September 2025. Further, the firm has enhanced its working capital limits from Rs. 22 to 35 Cr. in FY2026 which is expected to support the growth in scale of operations.

Weaknesses

Moderate financial risk profile

The financial risk profile is moderate with improving but low network, moderate gearing and debt protection indicators. The network stood improved to Rs. 22.41 Cr. on March 31, 2025 (Prov.) as against Rs. 12.10 Cr. as on March 31, 2024 on account of profit accretion and infusion of capital by partners. This also led to improved gearing, however, it remains moderate at 1.22 times in FY2025 (Prov.) as against 2.32 times in FY2024. The Debt-EBITDA and TOL/TNW levels also improved but remain moderate at 3.05 times (4.17 times in PY) and 1.62 times (2.91 times in PY) respectively in FY2025 (Prov.).

Going forward, the financial risk profile of the firm is expected to improve on the back of growth in accruals and absence of any debt funded capex plans in the near term.

Susceptible to volatility in oil prices and macro-economic factors

The firm deals in refining of edible oils and the prices of such commodities are linked to agricultural production, which, in turn, is susceptible to monsoon, acreage, and yield. The overall demand scenario from international as well as domestic markets for the agro products and the pricing potential continue also remains a key watch out from the business perspective. Also, agricultural commodities are highly regulated by the government on the basis of domestic demand and inflationary conditions. Thus, these factors directly affect the revenue and profitability.

Inherent risk of withdrawal of partner's capital

In FY2024, the partners withdrew ~Rs. 1.51 Cr. out of the business. Any significant withdrawal by the partners which significantly reduces the network of the firm, thereby affecting the financial risk profile remains a key rating sensitivity.

Rating Sensitivities

- Improvement in profitability margins while sustaining revenue growth
- Significant increase in debt levels leading to deterioration in the financial risk profile
- Maintaining efficient working capital cycle
- Excess withdrawal of capital, leading to decline in network

Liquidity Position Adequate

The liquidity position of the firm is adequate, as evident from the net cash accruals (NCAs) of Rs. 5.29 Cr. against maturing repayment obligations of Rs. 0.27 Cr. Going forward, the NCA are expected to remain in the range of Rs. 4.50 – 5.50 Cr. against repayment obligations of Rs. 2.0 -1.0 Cr. in FY2026 and FY2027. The current ratio stood comfortable at 1.44 times on March 31, 2025 (Prov.). The average bank limit utilisation for fund based limits stood at ~83 percent and non fund based limits stood at ~14 percent for the last six months ended September 2025. The firm had a cash and bank balance of Rs. 0.13 Cr. on March 31, 2025 (Prov.).

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	514.76	361.05
PAT	Rs. Cr.	3.94	2.59
PAT Margin	(%)	0.77	0.72
Total Debt/Tangible Net Worth	Times	1.22	2.32
PBDIT/Interest	Times	2.44	2.64

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>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
31 Jul 2024	Term Loan	Long Term	2.37	ACUITE BB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.00	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	13.13	ACUITE BB Stable (Reaffirmed)
04 May 2023	Term Loan	Long Term	4.44	ACUITE BB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.96	ACUITE BB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.30	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	9.80	ACUITE BB Stable (Reaffirmed)
04 Feb 2022	Term Loan	Long Term	7.00	ACUITE BB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.50	ACUITE BB Stable (Assigned)
	Cash Credit	Long Term	3.00	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab and Sind Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.13	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB)
Punjab and Sind Bank	Not avl. / Not appl.	Term Loan	01 Mar 2019	Not avl. / Not appl.	28 Feb 2026	2.37	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB)
Punjab and Sind Bank	Not avl. / Not appl.	Working Capital Term Loan	31 Mar 2022	Not avl. / Not appl.	30 Mar 2027	1.00	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB)

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