**Press Release**
**BHANU AGRO**
**November 07, 2025**
**Rating Assigned and Reaffirmed**

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|---|---|---|
| **Bank Loan Ratings** | 20.95 | ACUITE BB+ \| Stable \| Assigned | - |
| **Bank Loan Ratings** | 16.50 | ACUITE BB+ \| Stable \| Reaffirmed | - |
| **Bank Loan Ratings** | 20.00 | - | ACUITE A4+ \| Assigned |
| **Total Outstanding Quantum (Rs. Cr)** | 57.45 | - | - |
| **Total Withdrawn Quantum (Rs. Cr)** | 0.00 | - | - |

## Rating Rationale

Acuité has reaffirmed the long-term rating at **'ACUITE BB+' (read as ACUITE double B plus)** on the Rs. 16.50 Cr. bank facilities of Bhanu Agro (BA). The outlook remains **'Stable'**.
Further, Acuité has assigned the long-term rating of **'ACUITE BB+' (read as ACUITE double B plus)** and the short term rating of **'ACUITE A4+' (read as ACUITE A four plus)** on the Rs. 40.95 Cr. bank facilities of Bhanu Agro (BA). The outlook is **'Stable'**.

**Rationale for rating**
The rating reaffirmation takes into account the stable operating performance of Bhanu Agro. The rating also factors the moderate but improving financial risk profile of BA. The rating also draws comfort from the efficiently maintained working capital cycle and experienced management of the firm. However, the rating is constrained on account of 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 networth, moderate gearing and debt protection indicators. The networth 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 networth 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 networth

### 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, Acuité 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 |
|---|---|---|---|---|
| 28 Oct 2025 | Cash Credit | Long Term | 13.13 | ACUITE BB+ \| Stable (Upgraded from ACUITE BB \| Stable) |
| | Term Loan | Long Term | 2.37 | ACUITE BB+ \| Stable (Upgraded from ACUITE BB \| Stable) |
| | Working Capital Term Loan | Long Term | 1.00 | ACUITE BB+ \| Stable (Upgraded from ACUITE BB \| Stable) |
| 31 Jul 2024 | Working Capital Term Loan | Long Term | 1.00 | ACUITE BB \| Stable (Reaffirmed) |
| | Cash Credit | Long Term | 13.13 | ACUITE BB \| Stable (Reaffirmed) |
| | Term Loan | Long Term | 2.37 | 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 |
|---|---|---|---|---|---|---|---|---|
| AXIS BANK LIMITED | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 14.05 | Simple | ACUITE BB+ \| Stable \| Reaffirmed |
| AXIS BANK LIMITED | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 20.95 | Simple | ACUITE BB+ \| Stable \| Assigned |
| AXIS BANK LIMITED | Not avl. / Not appl. | Letter of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 20.00 | Simple | ACUITE A4+ \| Assigned |
| AXIS BANK LIMITED | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | 30 Sep 2026 | 1.52 | Simple | ACUITE BB+ \| Stable \| Reaffirmed |
| AXIS BANK LIMITED | Not avl. / Not appl. | Working Capital Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | 30 Nov 2026 | 0.93 | Simple | ACUITE BB+ \| Stable \| Reaffirmed |

**Contacts**

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|---|---|
| Mohit Jain<br>Chief Analytical Officer-Rating Operations<br><br>Kruti Patel<br>Associate Analyst-Rating Operations | **Contact details exclusively for investors and lenders**<br><br>Mob: +91 8591310146<br>Email ID: analyticalsupport@acuite.in |

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