



Press Release
B N AGRITECH LIMITED
October 06, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	200.00	Provisional ACUITE A Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating at '**PROVISIONAL ACUITE A (read as PROVISIONAL ACUITE A)**' on the Rs. 200 crore proposed 'Non- Convertible Debentures' of B N Agritech Limited (BNAL). The outlook is '**Stable**'.

The rating on the Rs. 200 Cr. proposed NCD is provisional and the final rating is subject to receipt of pending documentation:

- Final Term Sheet / Placement Memorandum
- Debenture Trustee Agreement (DTA) and Debenture Trust Deed (DTD)
- Deed of Hypothecation
- Document related to Security (DSRA) which shall be created upfront out of the proceeds of NCD
- Any other document relevant to the issue

Rationale for Rating

The assigned ratings takes into account of the long & established track record of operations, over a decade of highly experienced management in the same line of industry and improving scale of operations year on year primarily due to higher sales volume growing at a CAGR of 81.44% from FY 23 to FY 25. The company sells edible oils under their own brand known as Simply Fresh, Nutrica, Sakar Lite & R-Mark with having presence in more than 10 states and strong distribution network. The rating derives additional comfort from diversified product portfolio, healthy financial risk profile, efficient working capital operations and strong liquidity profile of the company.

However, the above strengths are partly balanced by various challenges such as susceptibility of margins due to exposure of volatility in raw material prices, intense competition and foreign exchange risk.

Acuite notes that the board of directors have approved the scheme of amalgamation of B N Agritech Limited into BN Agrochem Limited along with two other entities in the group on June 28, 2025. However, approval from regulatory authorities such as CCI & NCLT are still pending. Hence, it will take few years to complete the process.

About the Company

Mumbai based, B N Agritech Limited was incorporated in 2011 & is one of the India's fastest-growing company in the edible oil industry. The company is engaged in FMCG business &

operates under brand name of "Simply Fresh", "Simply Gold", "Nutrica", "Sakar Lite" & "R Mark". There Product Portfolio mainly consists of Edible Oil, Bakery Fats, Specialty Fats &

Cocoa Butter Substitute among others. Mr. Ajay Kumar Agarwal is the current managing director of the company

Unsupported Rating

Acuite A-/Stable

Analytical Approach

Acuite has considered the standalone business & financial risk profile of the B N Agritech Limited (BNAL).

Key Rating Drivers

Strengths

Experienced Management

The company is led by key promoters Ajay Kumar Agarwal and Anubhav Agarwal, whose decades of varied industry experience and long-standing presence in the edible oil sector have been the main drivers of growth. This extensive history has been instrumental in building established, trust-based relationships with both customers and suppliers. With its noticeable presence in FMCG (Fast-Moving Consumer Goods) sector for both wholesale and retail segment, the company has established their own brands. The company have a diversified product portfolio including special grades of palm oil for institutional clients and cocoa butter substitute and other bakery fats, speciality fats for confectionery industry.

Improving Scale of Operations & Profitability

The revenue from the operations of the company has improved by 71.28%, thereby increasing the topline from Rs. 3,666.44 Cr. in FY 2024 to Rs. 6,279.82 Cr. in FY 2025. The improvement in revenue is mainly due to higher volume units sold by the company which is growing at a CAGR of 81.44% from FY 23 to FY 25. However, the average price realization declining year on year due to declining raw material procurement prices. The operating profit (EBITDA) of the company improved from Rs. 126.47 Cr. in FY 24 to Rs. 232.28 Cr. in FY 25. The operating margin of the firm improved by 25 bps which stood at 3.70% in FY 25 against 3.45% in FY 24. The Net margin improved & stood at 1.29% in FY 25 against 1.14% in FY 24. Acuite believes that the scale of operations & profitability will improve in near to medium term on the account of better volume sold.

Healthy Financial Risk Profile

The company's financial risk profile is healthy marked by net worth, gearing and debt protection metrics. The tangible net worth of the company improved & stood at Rs. 551.91 Cr. as on March 31, 2025, against Rs. 358.85 Cr. as on March 31, 2024. The improvement in tangible net worth is primarily due to accumulation of profits into reserves and infusion of funds through right issue & conversion of unsecured loans into equity share capital. The Gearing ratio of the company improved & stood at 1.11 times for FY 25 against 1.54 times for FY 2024. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) improved and stood at 2.24 times for FY 25 against 2.31 times for FY 24. The debt protection metrics marked by ISCR & DSCR which stood at 2.66 & 1.92 times respectively for FY 25. The ROCE of the company improved & stood at 19.75% in FY 25 against 13.12% in FY 24. Debt/EBITDA stood at 2.69 times for FY 25. Acuite believes that going forward the financial risk profile of the group will improve in near to medium term backed by steady accruals and no debt funded capex planned.

Weaknesses

Vulnerability to volatility in raw material prices & foreign exchange risk

The company's profitability remains exposed to the volatility in the prices of crude and refined edible oil, the risks arising from import duty changes, currency fluctuations, geo climatic conditions and potential supply disruptions (given the import dependence) may impact the profitability margins of the company. Although, the company undertakes forex hedging to mitigate the risk to some extent. Acuite believes that company's ability to pass on the volatile prices to the consumers will remain the key monitorable.

Intensive Competitive Industry

The industry continues to face intense competition from both large and organised players as well as from the fragmented & unorganised market. The intense competition and the price-sensitive nature of consumers might also restrict the pricing flexibility across several product categories.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

- Debt Service Reserve Account with funds equivalent to 12.6% of the issue size to be maintained in the form of Cash/ Fixed Deposit/ AA to AAA rated Debt securities and sovereign debt securities, if any combination, for the minimum duration covering the tenor of the NCD and always charged to Debenture Trustee.
- Required DSRA has to be created upfront out of the proceeds of NCDs
- Interest and/or Principal repayment amount to be deposited in a separate escrow account at least 5 days prior to the repayment date.
- In case the required amount is not deposited in escrow account by T-5, T being the due date of interest/ principal repayment, then debenture trustee will invoke DSRA to ensure timely repayment of interest/ principal.
- In case of the Utilization of DSRA as mentioned above, the issuer must replenish the required DSRA account within T+7 days.

Stress Case Scenario

Acute sensitized that the net cash accrual, even if adjusted by 50%, the company would be able to meet its debt obligations. Over and above this, the company is expected to maintain DSRA of 12.6% of the issue amount which is to be replenished in a time bound manner in case of meeting any exigency and shortfall.

ESG Factors Relevant for Rating

Environmental (E) initiatives focus on resource conservation and environmental stewardship. The company, has engaged in tangible efforts like its Urban Forest CSR initiative, creating dense, biodiverse green spaces using native trees to combat air pollution, mitigate the urban heat island effect, and sequester carbon. This indicates a focus on offsetting its operational footprint.

Social (S) responsibility is evidenced by a stated commitment to employee well-being and fair-trade practices. The group also has a dedicated BN Welfare Foundation and a Director of CSR, highlighting a formal structure for community engagement.

Governance (G), the company emphasizes transparency and a multi-stakeholder approach. Leadership, including the Founder and Chairman, are noted for their involvement in social and business initiatives, aiming to create value for customers, employees, and shareholders alike, while diversifying into sustainable sectors like renewable energy.

Rating Sensitivities

- Improving scale of operations while maintaining the healthy margins
- Movement in Financial risk profile

All Covenants

Reference to the Financial Covenants given below:

- a) Total Debt/Equity ratio to be within 2x
- b) Earnings: After-tax Net Income (excluding extraordinary income) to remain above 75 Crs on a yearly basis.
- c) Maintain a minimum Tangible Net worth of 450 Crs
- d) Maintain a Debt Service Coverage Ratio of 1.2 times
- e) Issuer to maintain minimum external credit rating of A with stable outlook
- f) Any other additional covenant as may be mutually agreed and shall form a part of the transaction documents.

Any amount standing up to the credit of its reserves, less equity and equity like investments, goodwill, deferred tax assets, and other intangible assets. All Financial covenants would be

tested on a quarterly basis i.e. as on 31st March, 30th June, 30th September and 31st December every year starting from 30th September, 2025 till the redemption of debentures.

Covenants in Events of Default:

1. Any default on part of the Issuer to make payment of any amount that has become due and payable under the Transaction Documents.
2. Debentures are not redeemed in full, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with the Transaction Documents by the Maturity Date.
3. Failure to comply with the "Security Cover" requirement as defined in Transaction Structure
4. Material Adverse Effect
5. Cross default of the Issuer (including where the Company has made a payment default in relation to any of its financial indebtedness).
6. Misrepresentation by the Issuer
7. Unlawfulness
8. Repudiation of the Transaction Documentation
9. Any of the Transaction Documentation ceases to be in full force and effect or is terminated prior to maturity
10. Failure by the Issuer to meet standards with respect to management, governance, and data integrity, as may be required by the Debenture Trustee/Investor as per RBI regulations
11. If one or more legal or governmental proceedings have been initiated and admitted by the competent court of law against the Company or any claims are made against the Company, which in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders), may impair the Company's ability to perform its obligations undertaken in terms of the Transaction Documents or which has a Material Adverse Effect
12. Any information or representation made or given by the issuer in terms of the Transaction Documents is misleading or incorrect in any material respect and which has a Material Adverse Effect on the ability of the Company to make any payments in relation to the Debentures
13. The issuer, without the consent of the Debenture Holders or the Debenture Trustee, ceases to carry on all or substantial part of its business or gives written notice of its intention to do so
14. the Company creates or attempts to create any charge over the Hypothecated Assets (hypothecated to Debenture Trustee) in favour of any person other than the Debenture Trustee/ Debenture Holders, without the prior approval of the Debenture Trustee / Debenture Holder
15. If it is certified by the Statutory Auditors that the liabilities of the Company exceed its assets indicating the inability of the Company to discharge its obligations under this Deed.
16. If any Governmental Authority shall have condemned, nationalized, seized, or otherwise expropriated all or any substantial part of the assets of the Company or of the shares of the Company held by any director or the promoters, or shall have assumed custody or control of such shares or the business or operations of the Company or shall have taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations or a substantial part thereof.
17. any breach of the negative undertakings prescribed under section titled "Negative Undertakings" subject to a cure period of 60 calendar days;
18. any breach of the financial covenants prescribed under section titled "Financial Covenants" subject to a cure period of 60 calendar days any breach of the reporting covenants prescribed under section titled "Reporting Undertakings" subject to a cure period of 60 calendar days; and/or
19. any breach of the other covenants prescribed under section titled "Other Covenants",
20. Any expropriation, attachment, sequestration, distress or execution affects any assets of the Company which has a Material Adverse Effect on their ability to comply with its payment obligations under the Transaction Documents
21. Insolvency or any insolvency related process
22. Revocation of operating licenses or other authorizations of the Company
23. Failure to certify/confirm the non-occurrence of any Event of Default in the manner prescribed in the Transaction Documents
24. Failure by the Issuer to disburse new loans or from appointing third party or in house

collection teams, in case of any adverse regulatory action.

25. Failure to perform any obligations in relation to this transaction subject to a cure period of 60 days.

26. The certification for financial covenants will be as per the frequency defined under the section "Financial Covenants". Failure to do any of the above will be an Event of Default.

Additional Covenants

1. Issuer shall file Form CHG 9 (for security creation) within 30 days of execution of Transaction Documents

2. Issuer shall furnish certificate from a practicing CA within 60 days of disbursement, confirming that amount disbursed has been utilised by the issuer solely for the purpose as mentioned herein

3. Issuer shall submit financial covenant compliance certificate signed by the authorised signatory/CFO within 45 days from end of each quarter

4. Issuer shall submit statement of loan receivables hypothecated to the Debenture Trustee signed by the Authorised Signatory every month and an independent CA at the end of every quarter, within 30 days of the succeeding month, with the confirmation that all of the loan receivables hypothecated to the Debenture Trustee are meeting security cover criteria.

5. Debenture Trustee shall have the right to conduct stock audit, sales audit and any other monitoring and audit visits at any time till Final Settlement Date with an advance notice of 7 days to the issuer

6. Any exercising of Put option wherever applicable by any debt holder shall be intimated within 7 days of such action to the Debenture Trustee. Except for any External Commercial Borrowings provided by the Promoters of the Issuer, any secured credit / loan from the Promoter shall rank subordinated/ subservient to this debt.

7. Collectively Promoter & Promoter Group shall not transfer or encumber the shares of the issuers held by them below the level as set out in the following table. Any further encumbrance below the level set out the Covenant shall require prior written consent of the Debenture Trustee.

Category	Existing Shareholding as on 30th June 2025	Shareholding to be maintained throughout the tenor of the NCD
Promoter & Promoter Group	83.07%	51%

Liquidity Position

Strong

The liquidity profile of the company is strong marked by generating net cash accruals of Rs. 103.36 Cr. in FY 25 against the maturing debt obligations of Rs. 12.92 Cr. for the same year indicating availability of surplus cushion for any future endeavours. The company has free cash & bank balance (including fixed deposit) of Rs. 11.48 Cr. as on 31st March 2025. The current ratio stood at 1.32 times for FY 25. The average fund-based utilization for last seven months ending July 2025 is 87.68%. Acuite believes, the liquidity of the firm is expected to improve in near to medium term with steady cash accruals indicating availability of funds for any future endeavours.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	6279.82	3666.44
PAT	Rs. Cr.	81.26	41.90
PAT Margin	(%)	1.29	1.14
Total Debt/Tangible Net Worth	Times	1.11	1.54
PBDIT/Interest	Times	2.66	2.30

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

None

Any other information

Supplementary disclosures for Provisional Ratings

A. Risks associated with the provisional nature of the credit rating

In case there are material changes in the terms of the transaction after the initial assignment of the provisional rating and post the completion of the issuance (corresponding to the part that has been issued). Acuite will withdraw the existing provisional rating and concurrently, assign a fresh final rating in the same press release, basis the revised terms of the transaction.

B. Rating that would have been assigned in absence of the pending steps/ documentation

The rating would be equated to the standalone rating of the entity: ACUITE A/ Stable

C. Timeline for conversion to Final Rating for a debt instrument proposed to be issued:

The provisional rating shall be converted into a final rating within 90 days from the date of issuance of the proposed debt instrument. Under no circumstance shall the provisional rating continue upon the expiry of 180 days from the date of issuance of the proposed debt instrument.

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 :

Not Applicable.

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	Provisional ACUITE A Stable Assigned

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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