Rating Rationale

16 Sep 2026

Bhagyoday Agro Industries

Brickwork Ratings is upgrading and assigning the long-term and short-term ratings for the Bank Loan Facilities of Rs. 39.00 crore and withdrawing the short-term ratings for the Bank Loan Facilities of Rs. 2.80 crore for Bhagyoday Agro Industries.

SUMMARY OF RATING ACTION

Facilities	Tenure	Amount (₹ crore)		Rating Action		Regulator
		Previous	Present	Previous (03 Dec 2025)	Present	
Fund-Based	Long Term	24.5	**33.00**	BWR BB+/ Stable removal from ISSUER NOT COOPERATING* category/Upgraded	**BWR BBB-/ Stable Upgraded**	RBI
	Short Term	(2.80)	**0.00**	BWR A4+ removal from ISSUER NOT COOPERATING* category/Upgraded	**Withdrawn**	RBI
	Long Term	0.00	**6.0**	-	**BWR BBB-/ Stable Assigned**	RBI
Total		24.5	**39.00**	**Rupees thirty-nine crores only**		

Note:

1. Please refer to the BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated.

RATING ACTION/OUTLOOK

Brickwork Ratings (BWR) has assigned/upgraded ratings to BWR BBB-/Stable for a debt size of Rs. 39.00 Crores while withdrawing the ratings on closed sub-limit against the cash credit facilities of Rs. 2.80 Crores on receipt of No Due Certificate (NDC) in accordance with BWR's withdrawal policy.

For assigning the ratings, BWR has relied on the audited financials of the company up to FY25, management-certified provisional financials for FY26, projected financials for FY27-FY28, clarification provided by the company, and publicly available information.

Brickwork Ratings (BWR) has assigned and upgraded the ratings of Bhagyoday Agro Industries, driven by its positive standalone financial performance. Subsequently, in 2025, the promoters of Bhagyoday Agro Industries expanded their operations through forward integration by incorporating an oil refinery under the name of Bhagyoday Proteins and Oil Refinery Private Limited. In view of this business expansion and the integrated nature of operations. Considering factors such as Promoter Experience and Established Track Record, Comfortable Financial Risk Profile, Market Opportunities via Regulatory Shifts, Supply Chain Control and Quality Assurance, and Geographical Market Penetration and Diversification. The ratings are, however, constrained by Commodity Price Volatility and Thin Operating Margins, Seasonality and Business Cycle, and Fragmented Supply Base and Low Entry Barriers.

The rating outlook is "Stable," reflecting BWR's expectation that Bhagyoday Agro Industries will sustain its business risk profile over the medium term. This outlook suggests a minimal probability of rating revision within the foreseeable future. An upward revision to "Positive" may be considered should revenue and profitability demonstrate sustained growth, while a "Negative" revision could be triggered by a deterioration in the financial risk profile.

KEY COVENANTS OF THE INSTRUMENT/FACILITY

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Approach to financial ratios • Manufacturing Company • Rating of Entities based on Group Support • BWR Withdrawal Policy
Parent/Group/Government Support	Group Support
Analytical Approach (Consolidation/Standalone)	Standalone

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths-:

Promoter Experience & Established Track Record:
Established in 2008, Bhagyoday Agro Industries has demonstrated nearly two decades of operational history, successfully evolving from primary cotton ginning and pressing into an integrated agro-processing group. The promoters demonstrated strong strategic foresight by initiating Forward integration, setting up Bhagyoday Proteins and Oil Refinery Private Limited (150 TPD crude oil refinery) to secure raw material supply, capture higher margins, and expand into B2B bulk distribution. The promoters have maintained a track record of supporting business scaling and leverage reduction through direct equity infusions and retained earnings.

Comfortable Financial Risk Profile:
Bhagyoday Agro Group has demonstrated substantial revenue expansion to Rs.532.71 Cr in FY26 (Prov.) following the successful scale-up of crude oil refinery, alongside significant

balance sheet deleveraging. Strong profit retention and promoter capital infusions expanded Tangible Net Worth to Rs.32.96 Cr, successfully reducing Total Debt/TNW leverage from 4.43x in FY25 to 1.69x in FY26 (Prov.). This structural growth in earnings (EBITDA of Rs.14.50 Cr and PAT of Rs.7.08 Cr) bolstered key coverage metrics, elevating the Interest Coverage Ratio (ISCR) to 3.06x and the Debt Service Coverage Ratio (DSCR) to 1.92x. Combined with a strengthened Current Ratio of 1.38x and net cash accruals of Rs.9.81 Cr against minimal long-term debt servicing obligations, the group maintains a healthy liquidity cushion and enhanced financial stability.

Market Opportunities via Regulatory Shifts
Strict regulatory enforcement drives led by Maharashtra FDA Commissioner Tukaram Mundhe have aggressively targeted loose, adulterated, and non-compliant edible oils. These ongoing operations have led to the shutdown of numerous unorganized mixing operators and small uncertified entities across the region.
The crackdown on loose, unpackaged edible oil sales is shuttering unorganized, non-compliant mixing operators across Maharashtra. This structural shift systematically redirects consumer and commercial demand toward organized, certified processors that meet strict quality, safety, and packaging standards.

Supply Chain Control & Quality Assurance:
The group's strategic Forward integration via its dedicated 150 TPD crude oil refining facility (Bhagyoday Proteins and Oil Refinery Private Limited) provides complete in-house processing control over raw material availability, input oil quality, and refined processing standards.
Furthermore, dedicated internal refining safeguards consistent product quality and brand integrity for the flagship "White Apple" direct-to-retail B2C brand, strengthening consumer trust and establishing a strong competitive edge.

Geographical Market Penetration & Diversification
The group is scaling its market footprint from a local 250 km radius to a 500 km regional network centered in Chhatrapati Sambhaji Nagar. Growth is driven by a strong dual-market approach—capturing retail margins through Bhagyoday Agro's direct-to-retail packaged consumer goods, while securing bulk B2B demand via Bhagyoday Proteins, which supplies major institutional clients and commercial packagers in key commercial belts like Dhule and Akola.

Credit Risks-:

Commodity Price Volatility & Thin Operating Margins:
The cotton ginning, seed crushing, and edible oil refining sector remains highly fragmented, crowded with small, unorganized regional players. This intense competition caps individual pricing power and makes it difficult for processors to pass rising input costs on to buyers. Since raw cotton, crude oil, and processed meal are open-market commodities, their prices shift rapidly with crop yields, global demand, and government policies. To navigate these industry-wide margin pressures, survival hinges on maximizing volume throughput and

maintaining tight working capital control. Leading operators protect their profitability through vertical integration—stacking margin layers across extraction, refining, and retail packaging to buffer against sudden price swings.

Seasonality and Business cycle

The group's operational profile is subject to distinct business cycle dynamics across its two primary divisions. The primary cotton ginning and expelling operations under Bhagyoday Agro Industries are highly seasonal, running for only six months of the year during peak post-harvest crop arrivals. Consequently, plant machinery remains idle for the remaining six months, leading to operational downtime, capacity underutilization, and seasonal revenue fluctuations. In contrast, the 150 TPD crude oil refinery under Bhagyoday Proteins and Oil Refinery Private Limited operates continuously throughout the year to fulfill steady, year-round retail and B2B market demand for edible oils. This year-round refining activity helps smooth seasonal revenue variations in the ginning unit. However, the seasonal nature of cotton procurement creates significant working capital demands during peak harvest months, requiring upfront cash advances and heavy short-term bank facility utilization to sustain operations and cover fixed overheads year-round.

Fragmented Supply Base & Low Entry Barriers:

The primary agricultural processing landscape in India features low capital requirements for basic setups, leading to thousands of unorganized, small-scale regional operators. This fragmentation splits local procurement volumes, leaving individual processing units with limited regional market share and low pricing influence over both local raw material suppliers and finished-product buyers.

RATING SENSITIVITY FACTORS

Upward Sensitivities:

Sustained Growth in operating income by more than 12%.

Operating margin above 3.0% on a combined basis.

Downward Sensitivities:

Net profit margin declining below 1.00%

Significant decline in top-line growth or drop in operating margin below 2.00%

LIQUIDITY POSITION - Adequate

The company maintains an adequate liquidity profile and a healthy financial cushion, driven by expected net cash accruals of Rs. 9.81 crore in FY26 (provisional) against minimal long-term debt servicing obligations, complemented by a cash balance of Rs. 2.38 crore. Short-term solvency has strengthened, with the current ratio rising from 1.11x in FY25 to 1.38x in FY26(provisional). The company's liquidity cushion is further reinforced by its fund-based working capital management. The average fund-based utilization was more than 90% for September 2025 to June 2026.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

Not Applicable

COMPANY PROFILE

Industry Classification			
Macroeconomic Indicator	**Sector**	**Industry**	**Basic Industry**
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

Bhagyoday Agro Industries (BAI)
Established in 2003, Bhagyoday Agro Industries operates as a family-owned partnership firm managed by Mr. Shantilal, his wife, and his daughter. The firm focuses on primary agricultural processing, cotton ginning, oil extraction (producing cattle feed cake), and consumer packaging, distributing edible oils under its proprietary "White Apple" brand. Serving primarily the B2C retail segment, it distributes products direct-to-retail across a localized 250 km radius.

Bhagyoday Protein and Oil Refinery Private Limited (BP&ORPL)
Bhagyoday Protein and Oil Refinery Private Limited is structured as a corporate refining entity led by a board of directors comprising Mr. Shantilal and his two sons. Utilizing an installed capacity of 150 tonnes, the business specializes in large-scale crude oil refining to produce bulk refined Soybean, Sunflower, and Cottonseed oils. Unlike its retail-focused sister firm, BP&ORPL targets B2B and institutional clients, supplying loose and bulk oil to large-scale packagers and industrial buyers.

KEY FINANCIAL INDICATORS

Consolidated Financial Indicators (in ₹ crore)	FY 23 - 24 (A)	FY 24 - 25 (A)	FY 25- 26 (P)
Operating Revenue	186.31	294.01	532.71
EBITDA	4.04	5.87	14.50
PAT	0.61	1.46	7.08
Tangible Net Worth	10.44	11.89	32.96
Total Debt/ Tangible Net Worth	3.82	4.43	1.69
Current Ratio	1.25	1.11	1.38

A: Audited; UA: Unaudited; NA: Not Available; Note: these are the latest available financial results; P: Provisional; *EBITDA: Earnings before interest, lease rentals, depreciation and tax. All ratios as per BWR's calculations; Amount in ₹ crore.

Standalone Financial Indicators (in ₹ crore)	FY 23 - 24 (A)	FY 24 - 25 (A)	FY 25- 26 (P)
Operating Revenue	185.17	238.35	272.21
EBITDA	4.04	4.54	8.15
PAT	0.61	0.94	4.08
Tangible Net Worth	10.34	11.26	17.88
Total Debt/ Tangible Net Worth	1.98	2.45	2.15
Current Ratio	1.30	1.12	1.35

A: Audited; UA: Unaudited; NA: Not Available; Note: these are the latest available financial results; P: Provisional; *EBITDA: Earnings before interest, lease rentals, depreciation and tax. All ratios as per BWR's calculations; Amount in ₹ crore.

BRICKWORK RATINGS

RATING HISTORY FOR THE PREVIOUS THREE YEARS

	Current Rating (2026)			Rating History					
				FY 2025		FY 2024		FY 2023	
Instrument	Tenor	Amount (₹. Crore)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	Long Term	33.00	BWR BBB-/ Stable Upgraded	03 Dec 2025	BWR BB+/ Stable removal from ISSUER NOT COOPERATING* category/Upgraded	12Jul 2024	BWR B +/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	06 Jul 2023	BWR BB -/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded
				15Jul 2025	BWR B/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded				
		6.00	BWR BBB-/ Stable Assigned						
	Short Term	-	Withdrawn	03 Dec 2025	BWR A4+ removal from ISSUER NOT COOPERATING* category/Upgraded	12Jul 2024	BWR A4 continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	06Jul 2023	BWR A4 continues to be in ISSUER NOT COOPERATING* category/Reaffirmed
				15Jul 2025	BWR A4Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed				
Grand Total		**39.00**		**Rupees thirty-nine crores only**					

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Fund Based	Simple
Non-Fund Based	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on BWR's website www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY):

Credit Rating Agency	Status and Reason for Non-Cooperation	Date of Press Release
CRISIL	CRISIL classified the ratings as 'non-cooperative' as the issuer did not provide the requisite information needed to conduct the rating exercise.	15July2026
CARE	CARE classified the ratings as 'non-cooperative' as the issuer did not provide the requisite information needed to conduct the rating exercise.	12Jan2026

ANY OTHER INFORMATION: None

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Annexure I: Details of Bank Loan Facilities

(Amount in Rupees Crore)

S.No	Facilities	Tenor	Bank	Total	Regulator
1	**Cash credit**	Long Term	Bank of Maharashtra	**33.00**	RBI
2	ECLGS	Long Term	Bank of Maharashtra	6.00	RBI
Total				**39.00**	

ANNEXURE II: Details of Instruments

Name of the Instrument / Facility	Long Term/Short Term	ISIN	Date of Issuance (DD-MMYYYY)	Coupon Rate (%)	Maturity Date (DDM M-YYYY)	Size of the Issue (₹ cr)	Rating Assigned and Rating Outlook	Regulator
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III: List of Entities Consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

No.	Instrument/Activity Name	Regulator of the Instruments
1	Listed/Proposed to be listed bonds/debentures/preference shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference shares (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs after issuance(s), BWR Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during the regulatory regime before the introduction of the SEBI CRA Circular dated Feb 10, 2026, and the investor-side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Grievance Management

For any grievances relating to rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com.** Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

For any grievances relating to rating of instruments regulated by other FSRs (Financial Services Regulators), please contact **grievance@brickworkratings.com**

Disclosure of Conflict of Interest

BWR Board of Directors has no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

About Brickwork Ratings

Brickwork Ratings (BWR) is a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and is accredited by the Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009, and its corporate office is in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi, along with representatives in 150+ locations. Canara Bank is an institutional investor in Brickwork.

Brickwork offers credit ratings of bank loans, Non- convertible/convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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