

M.B. Agro Industries LLP

October 27, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	50.00 (Enhanced from 14.70)	CARE BB-; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B-; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of M.B. Agro Industries LLP (MAIL) is constrained on account of thin profitability margins associated with agro processing industry and vulnerability to fluctuations in raw material prices. The rating is further constrained due to highly fragmented and competitive industry and partnership nature of constitution. The rating, however, derives strength from experienced partners, moderate scale of operation and moderate capital structure and debt coverage indicators.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistent scale of operations with PBILDT margins above 3% on sustained basis.

Negative factors

- Decline in PBILDT margin below 1.25% on sustained basis.
- Deterioration in capital structure marked by overall gearing above 4x on sustained basis.

Analytical approach: Standalone

Outlook: Stable

'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that firm will continue to benefit from its experienced partners.

Detailed description of key rating drivers:

Key strengths

Experienced Partners

The operations of M.B. Agro Industries LLP (MAIL) are managed by the Bhansali family, who are engaged in businesses in Beed district, Maharashtra. The promoters bring over two decades of experience through their other ventures M.B. Industries, M.B. Traders and Dhanraj Traders. They are resourceful and capable of injecting funds to support MAIL's expanding operations.

Moderate scale of operation

MAILs' scale of operations remained low since inception; however, it witnessed improvement in FY24 (FY refers to April 01 to March 31) and FY25 following the award of a tender for processing 70,000–80,000 metric tonnes of chana dal under the 'Bharat Dal' initiative. In FY25, the firm reported total operating income (TOI) of ₹457.92 crore against ₹531.11 crore in FY24. Further, the firm achieved TOI of ₹97.15 crore in H1FY26 (refers to April 01 to September 30). As the 'Bharat Dal' tender has now been completed executed, TOI is likely to be lower in the immediate future.

Moderate capital structure and debt coverage indicators

MAIL's debt profile consists of working capital limits and term loans taken in FY21, for setting up dal processing plant. As of March 31, 2025, the firm had a total debt of Rs. 15.91 crore against a tangible net worth of Rs. 15.62 crore, resulting in an overall gearing ratio of 1.02x, improved from 1.62x as of March 31, 2024, supported by repayment of term loan. Additionally, the firm has planned to expand its warehouse capacity from 2400 MT to 7600 MT to reduce rental expenses and generate extra revenue by leasing space to third parties. The project is estimated to cost around Rs.11 crore, with 25% to be funded by a mix of term loan and internal accruals. Debt coverage indicators stood moderate marked by total debt to gross cash accruals (TDGCA) and interest coverage (PBILDT/Interest) at 3.58x and 4.25x respectively in FY25, compared to 3.69x and 4.66x respectively in FY24.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Key weaknesses**Thin profitability margins associated with agro processing industry**

Operating in the trading and agro-processing segment, the firm faces significant price volatility in commodities, which has kept its margins consistently low. Cost of raw material stood around 92-97% over the past five years, leading to the profit before interest, lease rentals, depreciation, and taxation (PBILDIT) margin ranging between 1.5%-5%, while the profit after tax (PAT) margin has hovered around 0.7%-0.8%. In FY25, the PBILDIT margin was low at 1.72% (1.68% in FY24) with the PAT margin remaining low at 0.71% for both years.

Vulnerability to fluctuation in raw material prices

Agro-based industry is characterized by its seasonality, as it is dependent on the availability of raw materials, which further varies with different harvesting periods. Availability and prices of agro commodities are highly dependent on the climatic conditions. Adverse climatic conditions can affect their availability and lead to volatility in raw material prices. Chana is the major raw material which constitutes about 90% of the total cost of production of the firm. The peak procurement season is during October to March during which the firm builds up raw material inventory to cater to the milling and processing of pulse. Since there is a long-time lag between raw material procurement and liquidation of inventory, the firm is exposed to the risk of adverse price movement resulting in lower realization than expected.

Presence in a highly fragmented and competitive agro-commodity industry

MAIL operates in a competitive and highly fragmented agro-commodity industry which has a presence of large number of small and medium scale players. Further, the firm faces tough competition from the large players holding prominent position in the industry. Consequently, the operating profitability remains under pressure owing to high competition.

Partnership nature of constitution

Being a limited liability partnership concern, it is exposed to the risk of withdrawal of capital by the partners on personal exigencies. Additionally, the firm has restricted access to external borrowings, as the net worth and creditworthiness of the partners play a crucial role in lenders' credit decisions. As a result, the firm has limited funding options and financial flexibility.

Liquidity: Stretched

Liquidity of the firm remained stretched, marked by expected gross cash accruals of Rs.4-4.50 crore against an annual principal repayment of ~Rs.1 crore in FY26. Operating cycle remained satisfactory at 23 days in FY25, compared to 15 days in FY24, driven by moderate inventory and receivable days. Fund-based utilisation of working capital limits stood at 90.85% for 12 months ending August 31, 2025. Cash flow from operations remained positive at Rs.4.37 crores in FY25 (Rs.2.13 crore in FY24). The Firm had a free cash and bank balance of Rs.0.18 crore as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

MAIL is engaged in the business of processing chickpea (chana dal) at its processing facility in Ambajogai, Beed, Maharashtra, with an installed capacity to process 200 metric tonnes of chana dal per day. It is also engaged in trading of soyabean and chana. The Bhansali family oversees overall operations, led by Purshottam Bhansali. The processed chana is sold under its own brand names MB Gold, MB Delux, and MB Super. The business is conducted through brokers and wholesalers, with major chana dal supplied to Maharashtra, Tamil Nadu and Karnataka.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	H1FY26 (UA)
Total operating income	531.11	457.92	97.15
PBILDT	8.91	7.88	-
PAT	3.78	3.26	-
Overall gearing (times)	1.62	1.02	-
Interest coverage (times)	4.66	4.25	-

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	27.75	CARE BB-; Stable
Fund-based - LT-Proposed fund based limits		-	-	-	11.07	CARE BB-; Stable
Fund-based - LT-Term Loan		-	-	30-09-2030	11.18	CARE BB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	11.18	CARE BB-; Stable	1)CARE B-; Stable; ISSUER NOT COOPERATING* (18-Jul-25)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jul-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (24-May-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (24-May-22)
2	Fund-based - LT-Cash Credit	LT	27.75	CARE BB-; Stable	1)CARE B-; Stable; ISSUER NOT COOPERATING* (18-Jul-25)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jul-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (24-May-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (24-May-22)
3	Fund-based - LT-Proposed fund based limits	LT	11.07	CARE BB-; Stable	1)CARE B-; Stable; ISSUER NOT COOPERATING* (18-Jul-25)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jul-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (24-May-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (24-May-22)

*Issuer did not cooperate; based on best available information.

LT: Long term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable
Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Proposed fund based limits	Simple
3	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Akhil Goyal Director CARE Ratings Limited Phone: +91-22-6754 3590 E-mail: akhil.goyal@careedge.in</p> <p>Ashish Kashalkar Associate Director CARE Ratings Limited Phone: +91-20-4000 9009 E-mail: Ashish.Kashalkar@careedge.in</p> <p>Yash Bhide Rating Analyst CARE Ratings Limited E-mail: Yash.bhide@careedge.in</p>
--	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**