

May 29, 2026

Bhavani Industries: Ratings downgraded and continues to remain under Issuer non-cooperating category

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based – Cash credit	18.00	18.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; downgraded from [ICRA]BBB (Stable); ISSUER NOT COOPERATING; continues to remain under 'ISSUER NOT COOPERATING' category
Long term – Fund-based - Term loan	32.60	32.60	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; downgraded from [ICRA]BBB (Stable); ISSUER NOT COOPERATING; continues to remain under 'ISSUER NOT COOPERATING' category
Short term – Interchangeable - Others	(16.00)	(16.00)	[ICRA]A4; ISSUER NOT COOPERATING*; downgraded from [ICRA]A3+; ISSUER NOT COOPERATING; continues to remain under 'ISSUER NOT COOPERATING' category
Total	50.60	50.60	

[^]Instrument details are provided in Annexure II; *Issuer did not cooperate; based on best information available

Rationale

ICRA has downgraded and continued the rating for the bank facilities of Bhavani Industries (BI) to the 'Issuer Not Cooperating' category. The rating is denoted as '[ICRA]B+ (Stable) ISSUER NOT COOPERATING/[ICRA]A4 ISSUER NOT COOPERATING'.

The rating downgrade is due to insufficient information regarding BI's performance. Hence, there is uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its 'Policy in respect of non-cooperation by a rated entity' available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating does not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Bhavani Industries (BI), ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities, key financial indicators: [Click here](#).

ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company.

About the company

Bhavani Industries (BI), established in 1987, is a partnership firm involved in the manufacturing and supply of a wide range of precision-machined components used in various products and sub-assemblies. The firm's operations are driven by the Managing Partner, Mr. A. J. Hegde, who has more than 25 years of experience in the machine tooling industry. It manufactures precision machined components for automobiles, electronics, medical and healthcare, aerospace, domestic appliance industries etc., made of raw materials such as aluminium, brass and steel.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)			Chronology of rating history for the past 3 years						
FY2027			FY2026		FY2025		FY2024		
Instrument	Type	Amount rated (Rs. crore)	May 29, 2026	Date	Rating	Date	Rating	Date	Rating
Interchangeable – Others	Short term	(16.00)	[ICRA]A4	Mar 06, 2026	[ICRA]A3+ ISSUER NOT COOPERATING	Nov 21, 2024	[ICRA]A3+	Oct 03, 2023	[ICRA]A3+
			ISSUER NOT COOPERATING	Dec 26, 2025	[ICRA]A3+ ISSUER NOT COOPERATING				
Fund-based - Term loan	Long term	32.60	[ICRA]B+ (Stable);	Mar 06, 2026	[ICRA]BBB (Stable); ISSUER NOT COOPERATING	Nov 21, 2024	[ICRA]BBB (Stable)	Oct 03, 2023	[ICRA]BBB (Stable)
			ISSUER NOT COOPERATING	Dec 26, 2025	[ICRA]BBB (Stable); ISSUER NOT COOPERATING				
Fund-based - Cash credit	Long term	18.00	[ICRA]B+ (Stable);	Mar 06, 2026	[ICRA]BBB (Stable); ISSUER NOT COOPERATING	Nov 21, 2024	[ICRA]BBB (Stable)	Oct 03, 2023	[ICRA]BBB (Stable)
			ISSUER NOT COOPERATING	Dec 26, 2025	[ICRA]BBB (Stable); ISSUER NOT COOPERATING				

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
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) (*)	SEBI
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/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, 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	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	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.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) 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 can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - fund based - Term loan	Simple
Long term - fund-based - Cash credit	Simple
Short term - Interchangeable	Simple

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 ICRA's website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs Crore)	Current Rating and Outlook
NA	Cash credit	NA	NA	NA	18.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 1 (Citi Bank)	June 2022	NA	January 2026	0.67	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 2 (Citi Bank)	June 2022	NA	March 2026	0.93	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 3 (Citi Bank)	January 2023	NA	January 2027	1.69	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 4 (Citi Bank)	July 2023	NA	July 2027	2.75	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 1 (SIDBI)	November 2020	NA	October 2025	0.15	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 2 (SIDBI)	December 2020	NA	May 2026	0.81	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 3 (SIDBI)	February 2021	NA	February 2026	0.53	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 4 (SIDBI)	June 2021	NA	June 2027	2.12	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 5 (SIDBI)	December 2021	NA	May 2025	0.32	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 6 (SIDBI)	March 2022	NA	March 2027	0.87	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 7 (SIDBI)	November 2022	NA	May 2027	2.87	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 8 (SIDBI)	December 2022	NA	November 2025	0.23	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 9 (SIDBI)	March 2023	NA	March 2026	1.27	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 10 (SIDBI)	September 2023	NA	September 2025	0.07	[ICRA]B+ (Stable) ISSUER NOT COOPERATING

NA	TL – 11 (SIDBI)	September 2023	NA	March 2028	7.35	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 12 (SIDBI)	February 2024	NA	February 2028	7.47	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	TL – 13 (SIDBI)	March 2024	NA	April 2028	2.50	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Interchangeable	NA	NA	NA	(16.00)	[ICRA]A4 ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Girishkumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Prashant Vasisht

+91 124 4545 322

prashant.vasisht@icraindia.com

Kushal Kumar

+91 40 6939 6408

kushal.kumar@icraindia.com

Harjot Singh Panwar

+91 124 4545 414

harjot.panwar@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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