



Rating Rationale

Bengani Exports (India) Private Limited

9th January 2017

Brickwork Ratings reaffirms the ratings for the enhanced Bank Loan Facilities of Rs. 47.00 Crs of Bengani Exports (India) Private Limited

Particulars

Facility Rated	Amounts (Rs. Crs)		Tenure	Ratings [^]	
	Previous	Present #		Previous	Present
Fund Based	35.00	41.00	Long Term	BWR BBB- Outlook: Stable	Re-affirmed at BWR BBB- Outlook: Stable
Non-Fund Based	6.00	6.00	Short Term	BWR A3	Re-affirmed at BWR A3
Total	Rs. 41.00 Crs	Rs. 47.00 Crores (Rupees Forty Seven Crores Only.)			

[^] Please refer to BWR website www.brickworkratings.com for definition of the ratings

Details of the present rated amounts in Annexure-I

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The Ratings continue to factor in promoters' experience in food processing industry, long standing relationship with clients and suppliers, addition of new clients, supplying to Retail Outlets of Future Group, geographical diversification, y-o-y growth and adequate liquidity position. The Ratings also takes cognizance of operational synergy from two similar business group concerns. The ratings are however constrained thin margins, relatively moderate net-worth and high competition on account of low entry barrier. Going forward, the Company's ability to sustain growth trend with improvement in margins and also efficient working capital cycle would remain the key rating sensitivities.

Rating Outlook: Stable

BWR believes the Bengani Exports (India) Private Limited's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the



revenues and profit margins show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and margins show lower than expected figures.

About the Company

Incorporated in 1997, Bengani Exports (India) Pvt. Ltd. is engaged trading and export of maize, soya-de-oiled cakes, wheat, rice and other agro products such as onions, potatoes, turmeric, chillies etc. It has recently started supplying fresh onions and potatoes to Retail outlets of Future Group. 'BEIPL' is based out of Kolkata with diversified client base from Kolkata, Mumbai, Chhattisgarh, Gujarat, Tamil Nadu, Bangalore etc. Share of export is minimal (<5% of total revenue). Its group Company 'Bengani Food Products Pvt. Ltd. is also into similar line of business. The combined turnover of the two Companies for FY16 stood at ~ Rs. 904 Crs.

Company Financial Performance

Against Rs. 374.83 Crs in FY15, the Company reported top-line of Rs. 418.64 Crs in FY16. As informed by the management, turnover for 8MFY17 stands at ~Rs. 335.53 Crs. The Company has reported improvement in financial parameters such as Net-worth, PAT etc.

Rating History for the last three years:

Sl No	Instrument/ Facility	Current Rating (Jan, 2017)			Rating History		
		Type	Amount (Rs. Crs)	Rating	Rating Assigned in Jan, 2016	Rating Assigned in 2015	Rating Assigned in 2014
1.	Fund Based	Long Term	41.00	BWR BBB- (Outlook: Stable)	BWR BBB- (Outlook: Stable)	-	-
2.	Non Fund Based	Short Term	6.00	BWR A3	BWR A3	-	-

Status of non-cooperation with previous CRA: Ratings were suspended by ICRA in May, 2016 due to the CRA's inability to carry out surveillance in the absence of requisite information.

Any other information: Not Applicable



Hyperlink/Reference to applicable Criteria:

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entities](#)
- [Short Term Debt](#)

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Bengani Exports (India) Private Limited
Annexure I

Type of Facility		From State Bank of Bikaner & Jaipur (in Rs. Crs)
Fund Based	Cash Credit	36.00
	<i>Sub-Limits against Book Debts (within CC)</i>	<i>(10.00)</i>
	SLC	5.00
Total of Long Term		41.00
Non Fund Based	LC	6.00
	<i>BG (within LC)</i>	<i>(0.50)</i>
Short Term Total		6.00
Total (Long Term + Short Long)		47.00