



## Rating Rationale

Bengani Food Products Private Limited

9<sup>th</sup> January 2017

**Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 37.40 Crs of Bengani Food Products Private Limited**

### Particulars

Facility Rated	Amounts (Rs. Crs)		Tenure	Ratings <sup>^</sup>	
	Previous	Present #		Previous	Present
Fund Based	27.00	27.00	Long Term	BWR BBB- Outlook: Stable	Re-affirmed at BWR BBB- Outlook: Stable
Non-Fund Based	10.40	10.40	Short Term	BWR A3	Re-affirmed at BWR A3
<b>Total</b>	<b>Rs. 37.40 Crs</b>	<b>Rs. 37.40 Crores (Rupees Thirty Seven Crores And Forty Lakhs Only.)</b>			

<sup>^</sup> Please refer to BWR website [www.brickworkratings.com/](http://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, adequate liquidity position and improvement in Interest Coverage Ratio. The Ratings also takes cognizance of operational synergy from two group concerns which are into similar line of business. 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 its 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 Food Products 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 Food Products Private Limited 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. 'BFPPL' is based out of Kolkata with diversified client base from Kolkata, Assam, Bihar, Uttar Pradesh, Maharashtra, Chhattisgarh etc. Share of export is minimal (<5% of total revenue). Its group Company 'Bengani Exports (India) Private Limited 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. 453.61 Crs in FY15, the Company reported top-line of Rs. 486.26 Crs in FY16. As informed by the management, turnover for 8MFY17 stands at ~Rs. 370.84 Crs. The Company has reported improvement in financial parameters such as Net-worth, PAT, interest servicing capacity etc.

### Rating History for the last three years:

SI No	Facility	Current Rating (Jan 2017)			Rating History			
		Type	Amount (Rs. Crs)	Rating	Rating Assigned in Nov, 2016 (Mid Term Review cum Enhancement)	Rating Assigned in Jan, 2016	Rating Assigned in 2015	Rating Assigned in 2014
1.	<b>Fund Based</b>	Long Term	27.00	<b>BWR BBB- (Outlook : Stable)</b>	BWR BBB- (Outlook: Stable)	BWR BBB- (Outlook: Stable)	-	-
2.	<b>Non Fund Based</b>	Short Term	10.40	<b>BWR A3</b>	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](#)

Analytical Contacts	Media		
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**Bengani Food Products Private Limited**  
**Annexure I**

<b>Type of Facility</b>		<b>From SBI (in Rs. Crs)</b>
Fund Based	Cash Credit	27.00
	<i>(EPC/PCFC/FBD/EBR) as a sublimit of CC</i>	<i>(3.00)</i>
<b>Fund Based Total</b>		<b>27.00</b>
Non Fund Based	LC	10.00
	Forward Contract	0.40
<b>Non-Fund Based Total</b>		<b>10.40</b>
<b>Total</b>		<b>37.40</b>