



Press Release

Bambino Agro Industries Limited

March 05, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities- Term Loan/ Drop Line Overdraft (DOD)	18.91	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	IVR BB+/ RWDI (IVR Double B Plus under Rating Watch with Developing Implications)	Rating removed from watch and Upgraded	Simple
Long Term Bank Facilities- Cash Credit	34.50	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	IVR BB+/ RWDI (IVR Double B Plus under Rating Watch with Developing Implications)	Rating removed from watch and Upgraded	Simple
Long Term Bank Facilities- Cash Credit	25.50	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	-	Rating Assigned	Simple
Long Term Bank Facilities- WCDL	30.00	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	-	Rating Assigned	Simple
Long Term Bank Facilities- GECL	-	-	IVR BB+/ RWDI (IVR Double B Plus under Rating Watch with Developing Implications)	Rating Withdrawn	-
Total	108.91 (INR One Hundred and Eight Crore and Ninety-One Lakh Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The upgrade and assignment of the rating to the bank facilities of Bambino Agro Industries Limited (BAIL) derives strength from satisfactory business performance of the company in FY24 [FY refers to the period from April 1 to March 31] and in 9MFY25 along with improvement in its capital structure. Further, the company is also expanding its product offerings and market presence which is expected to drive revenue growth in the near-to-medium term. The rating



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also considers BAIL's average financial risk profile and strong brand recognition coupled with widespread distribution network. However, these rating strengths remain constrained by exposure to intense competition and quality risks, raw material price volatility risk, litigation risks and elongated operating cycle.

The ratings have been removed from rating watch with developing implications and 'Stable' outlook has been assigned on the long-term rating as the company's business performance has remained stable over the years. Further, after discussion with the company's management it is anticipated that the pending legal case to have no major implication on the day-to-day operations and future growth plans of the company. Moreover, one of the petitioners, Mrs. Anita Myadam, has already withdrawn her claim in the case.

The rating assigned to a GECL facility is withdrawn based on request for withdrawal of rating received from the company along with No due certificate issued by the lender. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

Key Rating Sensitivities:

Upward Factors

- Growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis
- Improvement in the capital structure with improvement in debt protection metrics
- Effective working capital management leading to improvement in liquidity

Downward Factors

- Decline in operating income and/or profitability on a sustained basis impacting the debt protection metrics with moderation in interest coverage to below 2x
- Deterioration in the capital structure with moderation in overall gearing to above 1.5x
- Any negative developments/outcome with regard to the petition filed against the company by its shareholder

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Strong brand recognition**



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The company enjoys strong brand recognition with its long presence in the food industry for over three decades. The company operates in the packaged food segment mainly comprising of all processed & packaged food viz. vermicelli, macaroni, dalia and other pasta products, Soya chunks, wheat flour and instant food products like instant soups, instant food mixes, ginger garlic paste etc under the brand name “Bambino”. Its established name in pasta industry gives it a competitive advantage in the market.

- **Satisfactory business performance in FY24 and in 9MFY25**

BAIL's total operating income has increased by ~10% on a y-o-y basis in FY24 to Rs. 332.45 crore supported by an increase in sales volume on the back of expansion of its distribution network and market presence. Further, profitability also improved, driven by an increase in average sales realisation. In 9MFY25, the company reported a PAT of Rs. 8.18 crore on the total operating income of Rs.275.24 crore. The company's business performance is expected to improve with the addition of new products in its portfolio and expansion of market reach.

- **Average financial risk profile; improvement in capital structure**

The capital structure of the company improved with overall gearing of 0.91x as on March 31, 2024 and 0.93x as on Sep 30, 2024, as against 1.17x as on March 31, 2023 supported by accretion of profit to reserves. Total indebtedness as reflected by TOL/ATNW also improved to 1.21x as on March 31, 2024 against 1.41x as on March 31, 2023. Debt protection metrics marked by the interest coverage ratio stood comfortable at 3.42x (3.34x in FY23). However, DSCR stood below unity in FY24. The company managed to timely service its debt repayment obligations supported by improvement in liquidity position following enhancement in its working capital limit. Infomerics expects the capital structure and debt protection metrics of the company to remain satisfactory in the near term with no major debt funded capex plans.

- **Widespread distribution network**

BAIL is reasonably well positioned in the domestic market, supported by its strong brand presence and widespread distribution network, which enable the company to increase its market penetration. BAIL sells its products through a network of stockists and distributors spread across the country.

Key Rating Weaknesses

- **Exposure to intense competition and quality risks**



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BAIL operates in a fragmented and unorganised food industry, facing competition from local manufacturers (unorganised) as well as established participants (organised). Further, being in the foods industry, quality and reputation risks remain high for the company.

- **Exposure to raw material price volatility risk**

The company's profit margins are exposed to adverse movements in its raw material prices. However, BAIL's ability to partially pass on the price hikes to its customers due to its established brand name mitigate this risk to an extent.

- **Exposure to litigation risks**

A petition filed in National Company Law Tribunal (NCLT) against the company and others by one of the Company's shareholders is yet to be settled. In regard to this matter, several hearings have taken place without any significant progress. Infomerics will continue to monitor the developments and will take appropriate rating action on the outcome of the same.

- **Elongated operating cycle**

The company's business remained working capital intensive in nature marked by its elongated operating cycle. The operating cycle of the company remained high attributable to large inventory holding requirements. Inventory holding period stood at 94 days in FY24 compared to 96 days in FY23.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on withdrawal of ratings](#)

Liquidity – Adequate

The liquidity position of the company is expected to remain satisfactory in the near to medium term marked by adequate cushion in expected accruals of Rs.22-34 crore as against its repayment obligations of Rs.2.6-15.1 crore during FY25-FY27. Moreover, the average working



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capital limit utilisation was at ~75% during the past twelve months ended January 2025 indicating some liquidity cushion.

About the Company

Incorporated in 1983 by late Mr. M Kishan Rao, Bambino Agro Industries Limited (BAIL), [formerly known as Jaya Food Industries Ltd. (JFIL)], operates in the packaged food segment comprising of all processed & packaged food viz. vermicelli, macaroni, dalia and other pasta products like soya chunks, wheat flour and instant food products like instant soups, instant food mixes, ginger garlic paste etc under the brand name “Bambino”. Its manufacturing unit is located in Begumpur Khatola village, Gurgaon, Haryana with an installed capacity of 92,400 MT per annum.

Financials (Standalone):

For the year ended/ As on*	31-03-2023	31-03-2024	(Rs. crore) 9MFY25
	Audited	Audited	Unaudited
Total Operating Income	303.20	332.45	275.24
EBITDA	21.08	27.36	22.01
PAT	9.21	10.93	8.18
Total Debt	97.41	84.84	-
Tangible Net Worth	83.60	93.24	-
EBITDA Margin (%)	6.95	8.23	8.00
PAT Margin (%)	3.02	3.29	2.97
Overall Gearing Ratio (x)	1.17	0.91	-
Interest Coverage (x)	3.34	3.42	3.67

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years				
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24			Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Feb 27, 2024	Nov 8, 2023	Jun 9, 2023	Jan 25, 2023	Mar 22, 2022
1.	Term Loans/ Drop Line overdraft	LT	18.91 [^]	IVR BBB-/ Stable	IVR BB+/ RWDI	IVR BB+/ RWDI	IVR BB+/ RWDI	IVR BB+/ CWDI	IVR BBB-/ CWDI
2.	Cash Credit	LT	60.00	IVR BBB-/ Stable	IVR BB+/ RWDI	IVR BB+/ RWDI	IVR BB+/ RWDI	IVR BB+/ CWDI	IVR BBB-/ CWDI
3.	WC DL	LT	30.00	IVR BBB-/ Stable	-	-	-	-	-
4.	GECL	LT	-	- Rating Withdrawn*	IVR BB+/ RWDI	IVR BB+/ RWDI	IVR BB+/ RWDI	IVR BB+/ CWDI	IVR BBB-/ CWDI

[^]0/s as on Nov 30, 2024

*GECL of Rs. 4.31 crore rated earlier is withdrawn based on No Due Certificate of the lender, received from the company along with a request for withdrawal of the rating

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About Infomerics:

Infomerics Valuation and Rating Limited [previously Infomerics Valuation and Rating Private Limited] (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan/ DOD	-	-	-	Dec 2028	18.91	IVR BBB-/ Stable
Cash Credit	-	-	-	-	60.00	IVR BBB-/ Stable
WCDL	-	-	-	-	30.00	IVR BBB-/ Stable
GECL	-	-	-	-	-	Withdrawn*

**GECL of Rs. 4.31 crore rated earlier is withdrawn based on No Due Certificate of the lender, received from the company along with a request for withdrawal of the rating*

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-bambino-Agro-5mar25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com