

November 20, 2015

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	3.50	SMERA B/Stable (Assigned)
Term Loans	6.10	SMERA B/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B**' (read as **SMERA B**) to the above mentioned bank facilities of Bhansali Packing Service (BPS). The outlook is '**Stable**'. The rating is constrained by the uneven profit margins, below average financial risk profile, highly dependent on capital infused by the partners and small scale of operations. However, the rating derives comfort from the experienced management, pan India network and established customer base.

Outlook: Stable

SMERA believes BPS will maintain a stable business risk profile in the medium term on account of its experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and net cash accruals while maintaining healthy debt protection metrics. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected growth in revenues and profitability, or in case of deterioration in the company's financial risk profile.

Rating Sensitivity Factors

- Scaling up of operations
- Maintaining profitability
- Efficient utilisation of working capital facilities
- Continuous infusion of capital by the partners

About the Company

BPS was established in 1981 as a partnership firm by Mr. Ojas P Bhansali, Ms. Purvi Bhansali and Ms. Varsha P. Bhansali. The firm is engaged in the manufacture of corrugated boxes mainly for the pharmaceutical sector and has a pan India distribution network. The firm exports its products to Sri Lanka, Pakistan and Indonesia.

For FY2014-15, BPS reported (profit after tax) PAT of Rs.0.04 crore on operating income of Rs.22.49 crore as compared with PAT of Rs.0.34 crore on operating income of Rs.20.81 crore for FY2013-14.

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