



Rating Rationale

Bhagwan Das Ramesh Chand Jain

22nd February 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Bhagwan Das Ramesh Chand Jain

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u>			
Warehouse Receipts	10.00	Long Term	BWR B <i>(Pronounced as BWR single B)</i> Outlook: Stable
Total	Rs. 10.00 Crores (Rupees Ten Crores Only.)		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon audited financials of Bhagwan Das Ramesh Chand Jain up to FY16, publicly available information and information provided by management.

The rating derives comfort from proprietor's experience of 2 decades in agri-trading industry, established relations with customers. The rating is, however, constrained due to low scale of operations coupled with low capital base, high gearing ratio, weak debt-protection metrics, and competitive and fragmented nature of industry.

Ability of the proprietor to scale up operations and timely payment of interest would be the key rating sensitivities.

Analytical Approach (Wherever applicable): NA

Rating Outlook: Stable

BWR believes the **Bhagwan Das Ramesh Chand Jain** 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



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

About the Company

Bhagwan Das Ramesh Chand Jain is a proprietorship concern engaged in trading of grains at Anaj Mandi, Najafgarh, New Delhi. The firm has a long track record of operations of more than two decades. Mr. Rajbir Sharma is the proprietor of the concern and has established relations with its customers.

Company Financial Performance

Company generated revenue of Rs. 28.68 Crs in FY16 compared to Rs. 17.34 Crs in FY15. Profit after Tax of the company stood at Rs. 0.09 Crs in FY16 and Rs. 0.04 Crs in FY15.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1	Warehouse Receipts	Long Term	10.00	BWR B Outlook: Stable	NA	NA	NA

Status of non-cooperation with previous CRA (if applicable): Reason and comments: NA

Any other information: NA

Hyperlink/Reference to Applicable Criteria

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



For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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