



## Rating Rationale

Bharat Dall & Oil Industries

12<sup>th</sup> January 2017

**Brickwork Ratings revises the ratings for the Bank Loan Facilities of Bharat Dall & Oil Industries.**

### Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating ^	
	Previous	Present		Previous	Present
Fund Based	21.62	21.62	Long Term	BWR BB Outlook: Stable	BWR BB- Outlook: Stable
Total	21.62	Rs. 21.62 Crores (Rupees Twenty One Crores and Sixty Two Lakhs Only.)			

^ Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings.

#Details of the rated facilities has been mentioned in the annexure.

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY16, projected financials of **Bharat Dall & Oil Industries** up to FY18, publicly available information and information/clarifications provided by the firm's management.

The rating draws strength from the experience of the partners and moderate financial risk indicators marked by moderate gearing. The rating is constrained by exposure to risk of venturing into the real estate sector, project completion risk and low pace of booking/sale of flats. Going forward, the ability of the firm to improve profitability margins, ensure timely sales and improve revenues would be the key rating sensitivities.

### Rating Outlook: Stable

BWR believes that Bharat Dall & Oil Industries 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

Bharat Dall & Oil Industries was established in the year 1984 as a partnership firm in Gulbarga, Karnataka. It was reconstituted in the year 2002 and Mr. Ravindra Kumar, Mr. GopalKrishna, Ms. Sandhya, Mr. Ramesh Chand Kalantri and Mr. Anirudh Kalantri are the partners of the firm.

Earlier, the firm was involved in manufacturing, trading and dealing in all type of Dall and other allied products. It is no longer involved in this business and has decided to venture into real estate. Its first venture is “Bharat Pride Park” for which construction had started on February 01, 2013. The firm has completed the construction for Phase – I of 282 flats, construction is in progress for Phase II. The construction of the commercial mall is yet to commence.

### Company Financial Performance

The firm has not achieved any revenues in FY16 and FY15. The firm has reported partners’ capital of ₹ 19.64 Crs as on 31<sup>st</sup> March, 2016 and the debt to equity stood at 1.73 times in FY16

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

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type -Long Term	Amount (Rs Crs)	Rating	2016	Sep, 2015	Oct, 2014
1.	Fund Based	Long Term	21.62	BWR BB-	-	BWR BB	BWR BB

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure](#)

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**Annexure**  
**Rated facilities details**

Type of facility	Name of the facility	Amount (Rs. Crs)	
		Previous	Present
Long Term	Cash Credit	12.00	12.00
	Overdraft	9.62	9.62
<b>Long Term Total</b>		<b>21.62</b>	<b>21.62</b>
<b>Total</b>		<b>21.62</b>	<b>21.62</b>

**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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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.

**DISCLAIMER**

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