



Rating Rationale

Bhoomi Resources Pvt Ltd.

Aug 29, 2017

Brickwork Ratings reaffirms long term rating and short term rating for the Bank Loan Facilities of Rs. 15 Crores Bhoomi Resources Pvt Ltd ('BRPL' or 'the Company')

Particulars

Facility Rated	Amount (₹ Cr)		Tenure	Rating [^]	
	Previous Limits	Present Limits		Previous Mar, 2016	Present
Fund Based	15.00	15.00	Long Term	BWR BB+ (BWR Double B Plus) Outlook: Stable	BWR BB+ (BWR Double B Plus) Outlook: Stable Reaffirmation
Non-Fund Based	7.55	(10) [@]	Short Term	BWR A4+ (BWR A Four Plus)	BWR A4+ (BWR A Four Plus) Reaffirmation
Total	22.55	15.00	(INR Fifteen Crores Only)		

[^] Please refer to BWR website www.brickworkratings.com/ for definition of the ratings. [@] sub limit of Fund based limits . FY 17 provisional financials is self-certified by the management . BRPL is required to submit the audited financials of FY 17 before sept 15, 2017

Rating: Re-affirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited results up to FY16, provisional of FY17, publicly available information and information /clarifications provided by the Company's management.

The rating has factored into the experience of promoters in Bauxite trading and long relationship with suppliers & clients, low gearing, satisfactory interest coverage ratio, however, the rating is constrained by increased conversion cycle, forex price risk , inconsistent growth in revenues on Y-O Y and mixed business revenues in FY 17 , decreased profit margins and reduced cash accruals to debts

Going forward, the ability of the company to increase its scale of operations and achieve sustained revenue growth to improve profitability, adaptability to overcome adverse effects if any and servicing debt obligations promptly will be the key rating sensitivities.



Rating Outlook: Stable

BWR believes the **Bhoomi Resources Pvt Ltd** 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:

Bhoomi Resources Private Limited (BRPL) was incorporated in 2003 by Mr. Mohan Raghavan. The Company is located in Bangalore. BRPL is into Bauxite Trading since 2008. BRPL has Started importing Teak wood & Cashew in Jul 15 and selling in domestic market. Decrease in revenue segment in FY 16 is reportedly due to pricing dispute with one of major suppliers, leading to stoppage of supplies. BRPL has acquired 60% share in M/s Shivram Minerals

Mr. Mohan Raghavan, Ms. Marie Raghavan, Mr. Satish Yechareddy and Mr. Harish Yechareddy are the main share-holders and directors, and they hold ~ 80% of the equity. They are well experienced in the current line of activity.

Financial Performance:

As per the audited financial statements for FY16, Net Revenue from operations of the Company has decreased from ₹71.30 Crores in FY 15 to ₹30.87 Crores in FY 16, mainly due to stoppage of supply from Shivram Minerals .However revenue stood at Rs 54.53 Crs as per provisional FY 17. PAT also decreased from ₹9.72 Crores in FY 15 to ₹1.78 Crores in FY 16. And stood at Rs 5.22.Crs in FY 17 . BRPL's net worth stood at ₹18.59 Crores as of March 31, 2016. And Rs 23.81 Crs as at FY17. The Debt: Equity ratio was at 0.67x as at March 31, 2016. Total sales of FY 17 includes Rs.48.1 Crs from Bauxite. Rs.1.1 Crs from Cashew & Rs.9.36 Crs from teak wood.

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

Instrument /Facility	Current Rating (Year 2017)			Rating History	
	Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating	December 2016	May 2015
Fund Based	Long Term	15.00	BWR BB+ (Double B Plus)	Rating moved to Rating Not Reviewed Category	BWR BB+ (BWR Double B Plus)
Non-Fund Based	Short Term	(10.00)	BWR A4+ (BWR A Four Plus)		BWR A4+ (BWR A Four Plus)



Annexure:

Financial Indicators:

Particulars	FY15(A)	FY16(A)	FY17 (Provisional)
Net Sales/Revenues	71.30	30.87	54.53
EBIDTA	11.6	2.77	7.6
PAT	9.72	1.78	5.22
Tangible Net worth	18.82	18.59	23.81
Total Debt : TNW	0.13	0.67	0.48
Current Ratio	2.37	2	1.89

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Infrastructure Sector](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)

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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.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.