



## Rating Rationale

### Jhanwar Rice & Dall Mill

4<sup>th</sup> May 2017

Brickwork Ratings assigns ratings for Bank Loan Facilities of Rs 13.11 Crs(INR Thirteen Crores and Eleven Lakhs Only) of Jhanwar Rice & Dall Mill ('JRDM' or 'The Firm').

#### Particulars

Nature of Facility	Tenure	Rated Amount	Recommended Rating
		(₹ Cr)	
<b>Fund Based</b>	<b>Long Term</b>	<b>13.11</b>	<b>BWR BB-</b> <b>(Pronounced as BWR Double B Minus)</b> <b>Outlook : Stable</b>
Cash Credit		10.00	
Cash Credit (Pledge Against WHR)		3.00	
Term Loans		0.11	
<b>Total</b>	<b>Rs 13.11 Crs</b> <b>INR Thirteen Crores and Eleven Lakhs Only</b>		

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

#### Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon audited financials of FY 14, FY15 and FY16, and projections up to 2018, publically available information and clarifications/information provided by the company.

The rating factors the extensive experience of the promoters in business and favorable rice demand prospects. However, the rating remains constrained by low scale of operations, high gearing, thin profitability and uncertainty in domestic production and pricing of agro commodities.

#### Rating Outlook: Stable

BWR believes the **Jhanwar Rice & Dall Mill's** 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 and Management

**Jhanwar rice & Dall Mill**, a partnership firm promoted in 1979 by Mr.Ramesh Jhanwar, is located in Bundi, Rajasthan. The firm is engaged in trading and processing of rice and other agro commodities. Installed capacity of the JRDM is 6 tons/hour,with 70 % capacity utilization. JRDM is running under the umbrella of Jhanwar Group. The Group is managing three other Mills, engaged in similar activity, for over three decades.

The firm is managed by the partners, Mr. Ramesh Jhanwar, Mr. Kailash Chand Jhanwar and Mr. Saurabh Jhanwar. .

### Company Financial Performance

The firm has posted a sale of Rs.42.80 Crs and a PAT of Rs. 0.28 Crs in FY16. The overall gearing stood at 4.29x.

The company has achieved sales of Rs.46.50 Crs and a net profit of Rs 0.85 Crs as per the provisional and unaudited financial data for FY17

### Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Long Term	Rs 13.11 Crs	BWR BB-	2016	2015	2014
1	Fund Based						
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### Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- <http://www.brickworkratings.com/download/Criteria-TradingEntities.pdf>

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](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**

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.