

Rating Rationale

Rajgaria Brothers Private Limited

6 June 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 15.00 Crores of Rajgaria Brothers Pvt Limited ('RBPL' or the 'Company'):

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Cash Credit	15.00	Long Term	BWR B+ Outlook: Stable
Total	Rs. 15.00 Crores (Rupees Fifteen Crores Only.)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating takes into consideration the Company's limited track record of operations, lack of experience of the promoters in the Jewellery business, small scale of operations, low operating margins and high competition. The rating is also constrained by the fluctuation in gold prices and high working capital intensive nature of business. The rating, however, draws comfort from the established brand of Tribhovandas Bhimji Zaveri (TBZ) and favourable location of the showroom. Going forward, the Company's ability to improve its scale of operations and profitability, achieve envisaged revenue and efficient working capital management shall remain the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Rajgaria Brothers Private Limited** 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

Rajgaria Brothers Private Limited (RBPL) was incorporated in September 2015 to engage in the business of Jewellery. The Company acts as a Franchisee of Tribhovandas Bhimji Zaveri (TBZ). Its showroom is located in Main Road Ranchi and commercial operations started in March'17. The Directors of the Company include Subhash Kumar Rajgaria, Sandeep Kumar Rajgaria and Sanjay Kumar Rajgaria. The directors are also into medicine business for last three decades.

Company Financial Performance

As per the projected financials of FY18, Profit After Tax (PAT) would be Rs. 0.94 Crore on total operating income of Rs. 87.72 Crores. Tangible Net Worth of the Company would be 8.68 Crores for FY18.

Rating History for the last three years: (including withdrawn/suspended ratings)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	Cash Credit	Long Term	15.00	BWR B+ (Stable)	-	-	-

Status of non-cooperation with previous CRA: Not applicable

Hyperlink/Reference to Applicable Criteria

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

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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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