

Rating Rationale

Brickwork Ratings assigns 'BWR B' & 'BWR A4' Ratings for Bank Loan Facilities aggregating ₹ 15.72 Cr of SGR EXIM Pvt Ltd.

Brickwork Ratings has assigned following **Ratings¹** for Bank Loan facilities of SGR EXIM Pvt Ltd (**SEPL or Company**).

Fund Based Facility	Sanctioned Limits (₹ Cr)	Tenure	Rating
OD (Fund Based)	3.60	Long Term	BWR B (Outlook Stable)
LC (Import) (Non-Fund Based)	9.50#	Short Term	BWR A4 (Pronounced BWR A Four)
LC (Export) (Non-Fund Based)	1.50#		
CEL (Non-Fund Based)	1.12		
Total	15.72	INR Fifteen Crores and Seventy Two Lakhs only	

#one way full interchangeability from Inland LC to Import LC is permissible.

BWR has essentially relied upon promoters background, projected financials for FY16, FY17, FY18, publicly available information and information/clarification provided by the Company's management.

The rating has factored, inter alia, experience of promoters with a track record of more than two decades, order book on hand and demand for non-Basmati rice in middle-east and UAE. However, the rating is constrained by low capital infusion and recent commencement of business operation.

Background:

SGR EXIM Pvt Ltd was incorporated in Dec, 2014, by Mr. Jayanth Bhandari and Mr. Sanjay Bulchandani having registered office in Borivali East, Mumbai. The company is into the trading business by virtue of Export and Import of Agro Commodities.

The company has commenced importing different merchandise like Red Lentil (Masoor), and has further plans to import Urad, Tuar Whole, Green Moong, Coco-Beans, Seasham Seeds, Gum etc. for the trading purposes, by selling the same in domestic market as at present.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

The Company has plans to export value-quantum of rupee equivalent of import of Agri-products like Parboiled Rice, Wheat and Wheat Products, Spices, Chick-peas, Jowar-makka, green bajra, Isabgol husk, which are in regular demand in middle-east and UAE.

The promoters have identified various commodities for export and import, however, initial focus is on export of non-basmati rice to UAE and import of Red Lentils (Masoor) from Australia and Canada for the domestic market.

Management:

The promoter of the Company are qualified and experienced in their respective fields. The key management personnel of the Company are Mr. Jayant Bhandari, Mr. Vishan Asnani, Mr. O P Kriplani, Mr. Manoj Bulchandani and Mr. Sanjay Bulchandani.

Mr. Jayant Bhandari, Chartered Accountant, having experience of 2 decades, overlooks the financial aspect for the project. Mr. Vishan Asnani & Mr. Sanjay Bulchandani overlook the Construction & Marketing division. Mr. O P Kriplani & Mr. Manoj Bulchandani overlook the Planning Construction & Project Execution.

Current Status of the Project:

Company is mainly into Import Export of Agri-Products, the commercial operation started in May 2015. The Orders book on hand from various purchasers is aggregating to ~₹ 19.00 Crs/month.

Currently the company is into import business of Agri-Products, the export business is not yet started.

Rating Outlook:

The outlook of the Company is expected to be stable over the medium term. The rating reflects the position of the Company in the trading segment of the industry it caters to. Going forward, ability of the Company to achieve projected turnover, cover the open exposure of foreign exchange to avoid price risk and ability to improve the capital structure by infusing the funds will be the key rating sensitivities.

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