

February 7, 2012

**CARE ASSIGNS 'CARE BB' TO LONG TERM BANK FACILITIES OF
GANGA NAGAR COMMODITY LTD.**

Facility	Amount (Rs. Crore)	Ratings ¹	Remarks
Long Term Bank Facilities (Non Fund Based)	30	CARE BB	Assigned

Rationale

The rating is constrained by small size of the business operations, an increasingly competitive business segment, high client concentration and high geographical concentration. The rating is further constrained by nascent risk management systems and relatively high gearing. The rating factors in GNCL's profitable operations over the last few years and long track record.

Scale of operations and improvement in risk management systems are key rating sensitivities.

Company Profile

Ganga Nagar Commodity Limited (GNCL) is a Ganga Nagar based commodity broking company. The company was founded in 1994 by Mr. Tilak Raj Sharma in 1994, who owns all of the company shares along with his family members. The company is a member of MCX (Multi Commodity Exchange of India Limited) and NCDEX (National Commodity & Derivative Exchange Limited) and provides broking services and margin funding to a retail client base. At present, GNCL operates out of one branch in Ganga Nagar and in FY11 (refers to the period April 01 to March 31) reported a net profit of Rs.0.48 crore (FY10: Rs.0.38 crore) on a total income of Rs.2.00 crore (FY10: Rs.1.61 crore).

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