Bombay Fancy Store

March 27, 2026

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	29.00 (Reduced from 34.28)	CARE BB-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	15.00 (Reduced from 15.72)	CARE BB-; Stable / CARE A4	Reaffirmed
Short Term Bank Facilities	10.00	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to the bank facilities of Bombay Fancy Store (BFS) factor in the modest and fluctuating scale of operations with a modest net worth base and low profitability margins. Further, the ratings are constrained by the leveraged capital structure coupled with weak coverage indicators, as well as the highly fragmented nature of the industry characterized by intense competition. Ratings also remain constrained by foreign exchange fluctuation risk and the constitution of the entity being a partnership firm. However, the ratings are supported by experienced partners and a long-standing relationship with Indian Oil Corporation (IOCL) as a Del Credere Agent.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations as marked by total operating income of above Rs.280 crore over the medium term on sustained basis.
- Improvement in profitability margins as marked by PBILDT margin above 4.50% on sustained basis.

Negative factors

- Sustained deterioration in the capital structure as marked by Total Outside Liabilities to Total Net Worth (TOL/TNW) above 3.50x.
- Deterioration in Interest coverage to below 1.05x on sustained basis.

Analytical approach: Standalone

Outlook: Stable

"Stable" outlook reflects CARE Ratings' opinion that BFS will continue to derive benefit from its long-standing experience of partners in the industry.

Detailed description of key rating drivers:

Key weaknesses

Moderation in operational performance

The firm's operational profile remains moderate, as reflected in the decline in total operating income to ₹94.31 crore in FY25 (refers to April 1 to March 31) from ₹211.96 crore in FY24, primarily due to reduced import-led trading volumes amid unfavourable price spreads and elevated freight-linked volatility. While the scale moderated, the firm has achieved ~₹90 crore in sales during 10MFY26 (refers to April 1 to January 31), indicating gradual stabilization in demand. Despite the lower turnover, the firm recorded an improvement in margins in FY25, with PBILDT and PAT margins rising to 5.18% and 2.58% respectively, supported by relatively stable commission income from IOCL. However, the ability to scale up operations while maintaining stable profitability remains a key monitorable.

Leveraged capital structure and weak coverage indicators

The capital structure, though improved, continues to remain leveraged. Overall gearing slightly improved to 2.56x as on March 31, 2025, from 2.73x as on March 31, 2024, primarily due to a reduction in total debt, yet the solvency profile remains weak. The

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

interest coverage ratio stood at 1.13x in FY25, reflecting modest cushion for servicing interest costs. Further, the TOL/TNW, although better at 3.13x compared to 3.34x in FY24, still indicates weak debt coverage metrics.

Highly fragmented nature of industry characterized by intense competition
The spectrum of the trading industry in which the firm operates is highly fragmented and competitive marked by the presence of numerous players in India. Hence, the players in the industry do not have any pricing power and are exposed to competition which induced pressures on profitability. Also, due to low entry barriers in the industry and low value-added nature of products, high competition is the inherent risk associated with the trading nature of business operations which further impacts the profitability margins.

Foreign exchange fluctuation risk
BFS purchases from Saudi Arabia, United Arab Emirates, South Korea, Japan and Thailand with initial cash outlay for procurement in foreign currency and entire sales realization in domestic currency, the firm is exposed to the fluctuation in exchange rates. Moreover, the firm has no defined policy of hedging which exposes it to risks of any sharp depreciation in the value of rupee against foreign currency which may impact its profitability margins. Therefore, operating margin remains vulnerable to volatility in foreign exchange rates fluctuations.

Constitution of the entity being a partnership firm
BFS constitution as a partnership firm has the inherent risk of possibility of withdrawal of the partners' capital at the time of personal contingency and firm being dissolved upon the death/retirement/insolvency of partners. Moreover, the partnership firms have restricted access to external borrowing as credit worthiness of partners would be the key factor from credit perspective.

Key strengths

Experienced partners
BFS is a family run business established in the year 1988. Satish Kumar and Suresh Kumar are two partners and they collectively look after the overall operations of the firm. Satish Kumar is a graduate and looks after the administration department along day-to-day operations of the firm. Suresh Kumar looks after the Purchase department, imports and export department and also manages the overall operations of the firm. Their long operational track record has helped BFS establish strong relationships with suppliers and customers, which continues to support business stability. The firm also benefits from its established association with Indian Oil Corporation Limited (IOCL) as a Del Credere Associate (DCA) for key polymer products such as HDPE, LLDPE, PP and PPCP. This association ensures stable domestic sourcing, reduces procurement risks, and strengthens BFS's market positioning.

Liquidity: Stretched

The liquidity position of BFS continues to remain stretched. Although profitability improved during the year, a substantial elongation in the operating cycle to 279 days has resulted in high working capital intensity. The significant increase in receivables, with average collection period rising to 239 days, has led to elevated reliance on working capital borrowings. The firm's working capital limits remained utilized above 90% throughout the year. The free cash and bank balance continues to remain low at ₹0.14 crore as on March 31, 2025. While gross cash accruals of ₹2.64 crore provide adequate coverage for the minimal term-debt repayment obligations, the overall liquidity remains constrained due to high receivable buildup, elevated inventory levels, and limited financial cushion.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Short Term Instruments
Wholesale Trading

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals & Petrochemicals	Trading - Chemicals

M/s. Bombay Fancy Store (BFS) is a partnership firm established by Mr. Suresh Kumar and Mr. Satish Kumar in the year 1988. BFS is one of the leading Trader of various Polymers including HDPE, LLDPE, LDPE, PP, PPCP, PVC, EVA, PC, ABS. The firm caters to a large customer base of around 300+ customers. based at Delhi, U.P, Haryana, Rajasthan, Punjab, Himachal Pradesh and other parts of North and Central India. BFS is also operating as DCA i.e. Del Credere Associate for M/s Indian Oil Corporation Ltd (IOCL) For selling their HDPE, LLDPE, PP & PPCP products.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	10MFY26 (UA)
Total operating income	211.96	94.31	~90.00
PBILDT*	3.27	4.88	NA
Profit after tax (PAT)	2.26	2.44	NA
Overall gearing (x)	2.71	2.56	NA
Interest coverage (x)	0.77	1.13	NA

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	28.00	CARE BB-; Stable
Fund-based - LT-Term Loan	-	-	-	2027	1.00	CARE BB-; Stable
Fund-based/Non-fund-based-LT/ST	-	-	-	-	15.00	CARE BB-; Stable / CARE A4
Non-fund-based - ST-Letter of credit	-	-	-	-	10.00	CARE A4

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	28.00	CARE BB-; Stable	-	1)CARE BB-; Stable (10-Mar-25) 2)CARE B+; Stable; ISSUER NOT COOPERATING* (02-Jan-25)	1)CARE BB-; Stable (06-Feb-24)	-
2	Fund-based - LT-Term Loan	LT	1.00	CARE BB-; Stable	-	1)CARE BB-; Stable (10-Mar-25) 2)CARE B+; Stable; ISSUER NOT COOPERATING* (02-Jan-25)	1)CARE BB-; Stable (06-Feb-24)	-
3	Non-fund-based - ST-Letter of credit	ST	10.00	CARE A4	-	1)CARE A4 (10-Mar-25) 2)CARE A4; ISSUER NOT COOPERATING* (02-Jan-25)	1)CARE A4 (06-Feb-24)	-
4	Fund-based/Non-fund-based-LT/ST	LT/ST	15.00	CARE BB-; Stable / CARE A4	-	1)CARE BB-; Stable / CARE A4 (10-Mar-25) 2)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (02-Jan-25)	1)CARE BB-; Stable / CARE A4 (06-Feb-24)	-

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Puneet Kansal Director **CARE Ratings Limited** Phone: +91-120-4452000 E-mail: puneet.kansal@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Rajan Sukhija Associate Director **CARE Ratings Limited** Phone: +91-120-4452000 E-mail: Rajan.Sukhija@careedge.in Rishabh Sachdeva Analyst **CARE Ratings Limited** E-mail: Rishabh.sachdeva@careedge.in

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