

October 09, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	4.00	SMERA B/Stable (Reaffirmed)
Letter of Credit	6.00 (Enhanced from Rs.4.00 crore)	SMERA A4 (Reaffirmed)

SMERA has reaffirmed the ratings of '**SMERA B**' (read as SMERA B) and '**SMERA A4**' (SMERA A four) on the above mentioned bank facilities of Thrisul Timber Traders (TTT). The outlook is '**Stable**'.

The ratings factor in the moderate scale of operations of the firm, working capital intensive nature of business and intense competition in the highly competitive timber industry. The ratings are also constrained by the firm's exposure to supply changes, regulations on deforestation and the trade policies of timber exporting countries. However, the ratings derive comfort from the extensive experience of the promoters in the timber trading industry.

For the rating process, SMERA has consolidated the business and financial risk profiles of Sree Ashapura Saw Mill (SASM), Ambika Timber Depot (ATD), and Thrisul timber Traders (TTT) - together referred to as the Ashapura Group in view of the common ownership and operational linkages within the group.

Outlook: Stable

SMERA expects TTT to maintain a stable business risk profile over the medium term backed by the promoters' extensive experience. The outlook may be revised to 'Positive' in case of an improvement in revenue and working capital management leading to better financial flexibility. Conversely, the outlook may be revised to 'Negative' if the firm's financial risk profile deteriorates due to significant working capital requirements or in case the firm undertakes debt funded capex.

Rating Sensitivity Factors

- Ability to scale up operations while maintaining comfortable liquidity position
- Availability of timber and the government policy on import of timber

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

About the Firm

TTT established in 1999, is a Tamil Nadu-based proprietorship firm promoted by Mr. P. Ramesh Kumar. The firm is engaged in the trading of timber and imports round timber logs that are sawn and sized as per customer requirements. The sawing facility is at Pollachi, Tamil Nadu which is in close proximity to the Tuticorin port.

TTT reported profit after tax (PAT) of Rs.0.15 crore on operating income of Rs.14.62 crore for FY2013-14, as compared with PAT of Rs.0.11 crore on operating income of Rs.6.10 crore in FY2012-13.

Contact List

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in	Pooja Ghosh Associate Vice President – Operations Tel: +91-33-6620 1203 Email: pooja.ghosh@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.