

Press Release

Sri Bhagawan Timbers

December 12, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 10.50 Cr.
Long Term Rating	ACUITE B+ Issuer non-cooperating*
Short Term Rating	ACUITE A4 Issuer non-cooperating*

* Refer Annexure for details

Rating Rationale

Acuite has reviewed the long term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) to the Rs. 10.50 crore bank facilities of Sri Bhagawan Timbers (SBT). This rating is now an indicative rating and is based on best available information.

SBT, established as a partnership firm in 1994 is engaged in the trading of timber logs at Bangalore (Karnataka). The firm imports timber from Indonesia and Africa and sells the same to saw mills and construction companies in India.

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-17.htm>
- Trading Entities-<https://www.acuite.in/view-rating-criteria-6.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY17(Prov.)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	15.38	15.63	25.69
EBITDA	Rs. Cr.	1.23	1.06	0.95
PAT	Rs. Cr.	0.21	0.21	0.30
EBITDA Margin	(%)	7.98	6.80	3.70
PAT Margin	(%)	1.34	1.33	1.17
ROCE	(%)	13.68	12.54	13.30
Total Debt/Tangible Net Worth	Times	1.69	1.47	1.97
PBDIT/Interest	Times	1.27	1.33	1.42
Total Debt/PBDIT	Times	4.74	4.18	5.22
Gross Current Assets (Days)	Days	281	269	150

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
09-Jan-2018	Secured Overdraft	Long Term	3.50	ACUITE B+/ Stable (Reaffirmed)
	Letter of Credit	Short Term	7.00	ACUITE A4 (Reaffirmed)
08-Aug-2016	Secured Overdraft	Long Term	3.50	ACUITE B+/ Stable (Assigned)
	Letter of Credit	Short Term	7.00	ACUITE A4 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE B+ Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4 Issuer not co-operating*

Contacts:

Analytical	Rating Desk
Pooja Ghosh Head- Corporate and Infrastructure Sector Tel: 033-66201203 pooja.ghosh@acuite.in Abhishek Dey Rating Analyst Tel: 033-66201208 abhishek.dey@acuiterratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuite Ratings & Research:

Acuite Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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