

## Press Release

Damas Laminates Private Limited

December 20, 2018



**Rating Reaffirmed & Assigned**

<b>Total Bank Facilities Rated*</b>	Rs. 8.90 Cr.
<b>Long Term Rating</b>	ACUITE B / Outlook: Stable

\* Refer Annexure for details

### Rating Rationale

Acuité has reaffirmed long-term rating of „**ACUITE B** (read as ACUITE B) to the Rs. 7.85 crore bank facilities of Damas Laminates Private Limited (DLPL). The outlook is 'Stable'.

Acuité has assigned long-term rating of „**ACUITE B** (read as ACUITE B) to the Rs. 1.05 crore bank facilities of Damas Laminates Private Limited (DLPL). The outlook is 'Stable'.

The Gujarat-based Damas Laminates Private Limited (DLPL), incorporated in November 2015 is engaged in the manufacture of decorative laminates. Promoted by Mr. Kiritkumar Pursottamdas Patel, Mr. Vinodkumar Ratanshah Patel and Mr. Vipulkumar Jagdishbhai Patel, the company has installed manufacturing capacity of ~9 lakh sheets per year and caters to the construction industry. The products are used in the interior decoration of homes, offices and hospitals, among others. The commercial production is expected to commence from December 2017.

### Analytical Approach

Acuité has considered the standalone financial and business risk profile of DLPL to arrive at the rating.

### Key Rating Drivers

#### Strengths

- **Experienced management**

The company was promoted by Mr. Kiritkumar Patel, Mr. Vinodkumar Patel and Mr. Vipulkumar Patel who possess experience of over a decade in the trading of plywood, laminates and timber. This has helped the company build long term relations with customers and suppliers.

#### Weaknesses

- **Project implementation risk**

Since operations have commence from December 2017, the company is exposed to project off take risk unless operations commence within the time and cost envisaged. Any change related to the same can have adverse implications on the funding profile and liquidity position.

- **Intense competition**

The company is exposed to intense competition in the laminates industry from several small and large players, limiting its bargaining power with customers.

#### Outlook: Stable

Acuité believes that DLPL will maintain a stable outlook over the medium term owing to its experienced management and expected increase in scale of operations. The outlook may be revised to 'Positive' in case the company registers more than expected growth in revenues and profitability. Conversely, the outlook may be revised to 'Negative' in case of high working capital requirements increasing pressure on margins.

### About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	0.65	0.00	NA
EBITDA	Rs. Cr.	0.12	0.00	NA
PAT	Rs. Cr.	-0.24	0.00	NA
EBITDA Margin	(%)	19.14	0.00	NA
PAT Margin	(%)	-37.00	0.00	NA
ROCE	(%)	0.68	-0.13	NA
Total Debt/Tangible Net Worth	Times	1.25	0.00	NA
PBDIT/Interest	Times	0.92	0.00	NA
Total Debt/PBDIT	Times	54.01	0.00	NA
Gross Current Assets (Days)	Days	3149	0.00	NA

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

None

### Any other information

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

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-40.htm>

### Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
24-Nov-2017	Cash Credit	Long Term	2.40	ACUITE B / Stable (Assigned)
	Term Loan	Long Term	6.50	ACUITE B / Stable (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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.40	ACUITE B / Stable (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	5.45	ACUITE B / Stable (Reaffirmed)
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.05	ACUITE B / Stable (Assigned)

## Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>	Varsha Bist Manager - Rating Desk Tel: 022-67141160 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>
Saurabh Rane Analyst - Rating Operations Tel: 02249294044 <a href="mailto:Saurabh.Rane@acuiteratings.in">Saurabh.Rane@acuiteratings.in</a>	

### About Acuité Ratings & Research:

Acuité 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.

**Disclaimer:** An Acuité 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. Acuité 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, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité 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. Acuité 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.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.