

Press Release

Punniamoorthi Pillai Department Store

February 11, 2019

Rating Update



| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs. 15.00 Cr. # |
| Long Term Rating | ACUITE BBB- Issuer not co-operating* |
| Short Term Rating | ACUITE A3 Issuer not co-operating* |

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed long-term rating of '**ACUITE BBB-**' (read as **ACUITE BBB minus**) and short term rating of '**ACUITE A3**' (read as '**ACUITE A three**') on the Rs. 15.00 crore bank facilities of Punniamoorthi Pillai Department Store. This rating is now an indicative rating and is based on best available information.

Punniamoorthi Pillai Department Store (PPDS) a partnership firm, was established in 1988 by Mr. S. Kubher and brothers, Mr. S. Gunaseelan, Mr. T. S. Ravikumar and Mr. C. Sivakumar. The firm, a departmental store is engaged in the retailing of groceries, consumer durable goods (refrigerator, grinders, mixer, air conditioner etc.), Fast Moving Consumer Goods (FMCG) among others. It is also a franchisee for Titan Watches and Tanishq Jewellery and runs a café and a bakery under the name Tan Café. PDDS has a chain of eight department stores at prominent locations in Thanjavur and nearby areas. Plans are on to open new franchisee stores for Tanishq Jewellery in Kumbakonam in FY2018-19. The firm derived around 56 percent revenue from the sale of consumer durable goods in FY2016-17 and the rest from other products. The firm also set up an online shopping portal in FY2016-17.

Non-cooperation by the issuer/borrower

Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Trading Entities - <https://www.smera.in/criteria-trading.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité 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 (Actual) | FY16 (Actual) | FY15 (Actual) |
|------------------|---------|---------------|---------------|---------------|
| Operating Income | Rs. Cr. | 90.38 | 84.31 | 76.34 |
| EBITDA | Rs. Cr. | 3.39 | 3.36 | 3.55 |
| PAT | Rs. Cr. | 1.26 | 1.28 | 1.97 |
| EBITDA Margin | (%) | 3.75 | 3.98 | 4.66 |
| PAT Margin | (%) | 1.40 | 1.51 | 2.58 |

| | | | | |
|-------------------------------|-------|------|------|-------|
| ROCE (%) | (%) | 8.59 | 9.91 | 25.89 |
| Total Debt/Tangible Net Worth | Times | 0.63 | 0.59 | 0.79 |
| PBDIT/Interest | Times | 2.69 | 2.93 | 4.55 |
| Total Debt/PBDIT | Times | 3.57 | 3.05 | 2.65 |
| Gross Current Assets (Days) | Days | 77 | 66 | 58 |

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 |
|-------------|---------------------------------|------------|------------------|----------------------|
| 29-Dec-2017 | Cash Credit | Long Term | INR 8 | ACUITE BBB- / Stable |
| | Term Loan | Long Term | INR 1.39 | ACUITE BBB- / Stable |
| | Working Capital Term Loan | Long Term | INR 1 | ACUITE BBB- / Stable |
| | Bank Guarantee | Short Term | INR 1.85 | ACUITE A3 |
| | Proposed Cash Credit | Long Term | INR 2.76 | ACUITE BBB- / Stable |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------------------|------------------|----------------|----------------|-----------------------------|---|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 8.00 | ACUITE BBB- Issuer not co-operating* |
| Term loans | Not Applicable | Not Applicable | Not Applicable | 1.39 | ACUITE BBB- Issuer not co-operating* |
| Working Capital Term Loan | Not Applicable | Not Applicable | Not Applicable | 1.00 | ACUITE BBB- Issuer not co-operating* |
| Bank guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | 1.85 | ACUITE A3 Issuer not co-operating* |
| Proposed Cash Credit | Not Applicable | Not Applicable | Not Applicable | 2.76 | ACUITE BBB- Issuer not co-operating* |

*The issuer did not co-operate; Based on best available information.

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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.

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