

Press Release

Win Woods Private Limited

July 02, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 8.00 Cr.
Long Term Rating	ACUITE B- / Outlook: Stable
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE B-**' (read as **ACUITE B minus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 8.00 crore bank facilities of Win Woods Private Limited. The outlook is '**Stable**'.

Win Woods Pvt. Ltd. (WWPL) incorporated in the year 2015, is a Tamil Nadu-based company promoted by Mr. Magudhu Meeran Sheik Muthu Rowther, Mr. Divanmohideen Syedali Badusha, and Mr. Maguthu Meeran Aswath, engaged in imports and trading of timber. The timber logs are imported from Malaysia, Singapore, Sudan and other African Countries. The firm trades in Teak, Padauk wood, Merbau wood and other varieties as well. The firm caters to domestic clients mainly in Tamil Nadu.

Key Rating Drivers

Strengths

- Experienced management**

Win Woods Pvt. Ltd. (WWPL) incorporated in the year 2015, is a Tamil Nadu-based company promoted by Mr. Magudhu Meeran Sheik Muthu Rowther, Mr. Divanmohideen Syedali Badusha and Mr. Maguthu Meeran Aswath engaged in imports and trading of timbers. The management has more than two decades of experience in similar industry by virtue of employment in other company.

Weaknesses

- Nascent stage of operation**

Win Woods Pvt. Ltd. (WWPL) incorporated in the year 2015 and registered revenue of Rs.2.46 crore during FY2017-18 (Provisional). The company also faces intense competition in the industry segment which is marked by the presence of several small and large players.

- Profit margins are susceptible to volatility in raw material prices**

The major raw material procured by the firm is timber logs which account ~ 80 per cent of the total cost and the prices of the raw materials are highly volatile in nature. The firm imports timber logs from Malaysia, Singapore, Sudan and other African Countries. The PAT margin of the firm remains thin at less than 1 percent for the period under study due to trading nature of business.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the company.

Outlook: Stable

Acuite believes that the outlook on WWPL will remain 'Stable' over the medium term on account of the experience of the management. The outlook may be revised to 'Positive' if the firm reports substantial growth in revenue while maintaining profitability and improvement in capital structure. Conversely, the outlook may be revised to 'Negative' in case of further decline in revenue and profitability.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	0.02	0.00	0.00

EBITDA	Rs. Cr.	0.00	0.00	0.00
PAT	Rs. Cr.	0.00	0.00	0.00
EBITDA Margin	(%)	14.16	0.00	0.00
PAT Margin	(%)	7.71	0.00	0.00
ROCE	(%)	1.76	0.00	0.00
Total Debt/Tangible Net Worth	Times	2.12	1.14	0.00
PBDIT/Interest	Times	4.71	0.00	0.00
Total Debt/PBDIT	Times	36.17	0.00	0.00
Gross Current Assets (Days)	Days	2960	0	0

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>

Note on complexity levels of the rated instrument

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

Rating History (Upto last three years)

Not Applicable

***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	2.00	ACUITE B- / Stable
Letter of credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4
Proposed	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE B- / Stable

Contacts

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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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