

Press Release

Sai MPR Traderrs

September 11, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs.10.00 Cr.
Long Term Rating	ACUITE D

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs.10.00 crore bank facilities of Sai MPR Traderrs.

Chennai based, Sai MPR Traderrs (SMT) was established as a proprietary concern in 2015 by Mr. Panner Ramachandran. The firm is engaged in trading of construction materials such as steel bars, paints, bricks, plumbing materials, cement among others.

Key Rating Drivers

Strengths

- **Experienced management**

SMT a proprietorship firm was established in 2015 by Mr. Panneer Ramachandran. The Proprietor has previous experience of over 15 years in the construction business.

Weaknesses

- **Delays in servicing debt obligations**

SMT has been facing significant liquidity pressure on account of delayed realisation from its clients which has impeded its ability to meet its debt obligation in a timely manner. The account has been persistently irregular on account of continuous overdrawing in Cash Credit (CC) for more than 90 days.

- **Below average financial risk profile**

SMT has below average financial risk profile marked by tangible net worth of Rs. 3.56 crore as on 31 March, 2017 as against Rs.3.28 crore as on 31 March, 2016. The gearing stood high at 2.93 times as on 31 March 2017 as against 1.54 times as on 31 March 2016. The debt of Rs. 10.41 crore mainly consists of term loans of Rs. 0.55 crore and working capital borrowings of Rs. 9.86 crore as on 31 March 2017. Interest Coverage Ratio (ICR) stood at 1.58 times for FY 2017 as against 4.70 times in FY2016. Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 3.45 times as on 31 March, 2017 as against 1.62 times as on 31 March, 2016.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the SMT to arrive at this rating.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	35.38	9.90	7.80
EBITDA	Rs. Cr.	0.96	0.31	0.19
PAT	Rs. Cr.	0.35	0.24	0.19
EBITDA Margin	(%)	2.73	3.11	2.43
PAT Margin	(%)	0.99	2.42	2.38
ROCE	(%)	8.63	5.91	18.65
Total Debt/Tangible Net Worth	Times	2.93	1.54	0.46
PBDIT/Interest	Times	1.58	4.70	275.81
Total Debt/PBDIT	Times	10.79	16.44	3.34
Gross Current Assets (Days)	Days	149	265	37

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Trading Entities - <http://acuite.in/view-rating-criteria-6.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.90	ACUITE D
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.10	ACUITE D

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About Acuité Ratings & Research:

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