



Press Release
SHIV PRASAD ECO TOUCHWOOD PRIVATE LIMITED
May 12, 2025
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.06	ACUITE C Downgraded	-
Bank Loan Ratings	6.20	ACUITE D Downgraded	-
Bank Loan Ratings	25.00	-	ACUITE D Downgraded
Total Outstanding Quantum (Rs. Cr)	32.26	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to **‘ACUITE D’ (read as ACUITE Df)** from **‘ACUITE BB+’ (read as ACUITE Double B Plus)** and short-term rating to **‘ACUITE D’ (read as ACUITE D)** from **‘ACUITE A4+’ (read as ACUITE A Four Plus)** on the Rs. 31.20 crore bank facilities of the Shiv Prasad Eco Touchwood Private Limited (SPETPL). Acuite has also downgraded the long-term rating to **‘ACUITE C’ (read as ACUITE Cf)** from **‘ACUITE BB+’ (read as ACUITE Double B Plus)** on the Rs. 1.06 crore proposed bank facilities of the Shiv Prasad Eco Touchwood Private Limited (SPETPL).

Rationale for Rating Downgrade

The rating downgrade considers delays in repayment of debt obligations of Shiv Prasad Eco Touchwood Private Limited (SPETPL) as confirmed by the banker.

About the Company

SPETPL is a Mumbai based company incorporated in 2007. SPETPL is engaged in trading of teak round logs. SPETPL caters primarily to export market. It acts as a mercantile trader procuring timber from Malaysia and other South East Asian countries and sells it in domestic as well as overseas markets such as Europe and Middle East. The directors include Mr. Kirti Patel, Mr. Nilesh Kirti Patel and Mr. Nitin Kirti Patel.

About the Group

Shree Shankar Vijay Timber Exports Private Limited (SSVTEPL) was incorporated by Mr. Kirti Patel in 1975 in Mumbai. SSVTEPL is engaged in the business of timber trading, primarily teakwood procured from Myanmar. SSVTEPL caters primarily to export market. It acts as a mercantile trader procuring timber from Malaysia and other South East Asian countries and sells it in domestic as well as overseas markets such as Europe and Middle East.

Shiv Prasad Enterprises (SPE) is a Mumbai based partnership firm established in the year 1993 by Mr. Kirti Patel and his family members. SPE caters primarily to export market. SPE is engaged in mercantile trading procuring timber from Malaysia and other South East Asian countries and sells it in domestic as well as overseas markets such as Europe and Middle East.

Unsupported Rating

Not Applicable

Analytical Approach**Extent of Consolidation**

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated business and financial risk profile of Shree Shankar Vijay Timber Exports Private Limited (SSVTEPL), Shiv Prasad Enterprises (SPE) and Shiv Prasad Eco Touchwood Private Limited (SPETPL) to arrive at the rating. The three companies together, shall hereby be referred to as the 'Shiv Prasad Group' (SPG). The consolidation is in view of same business line, operational synergies, and common management.

Key Rating Drivers

Strengths

Extensive experience and established track record of operation

SPG group was established in 1982 by Mr. Kirti Patel and is currently being managed by his sons- Mr. Nilesh Kirti Patel and Mr. Nitin Kirti Patel, Mr. Nilesh has been a part of the group since 1994. All the promoters have experience of more than three decades in the timber trading industry and also look after the overall operations. The Group trades primarily in teak wood procured from Malaysia and other South East Asian countries. The Group has established relationship with the suppliers in Malaysia and other South East Asian countries for giving SPG access to premium quality teak wood. The experience of the directors has helped the group maintain relationships with customers and suppliers. Acuité believes the group is expected to benefit from extensive experience of its promoters and established operational track record.

Weaknesses

Instances of delays and irregularities in account conduct

As per the written banker feedback, the group's account conduct is irregular and the asset categorization of the client's account stands as SMA-1 with continuous overdues since 29th March 2025. There have been instances of continuous overdrafts in the OD account since 29th March 2025 along with BG Invocation.

Competitive and fragmented nature of business

The group is engaged in the trading of teak woods from Malaysia and other south east asian countries and the group is selling teak woods to traders located in India and overseas. Further, the industry is marked by the presence of several medium to big size players. This affects the SPG's pricing power and profitability.

Rating Sensitivities

- Timely servicing of debt obligations

Liquidity Position

Poor

Liquidity position of the company is poor as there are continuous over utilizations in the working capital facilities and delays in servicing of debt obligations.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	259.78	201.54
PAT	Rs. Cr.	1.93	1.75
PAT Margin	(%)	0.74	0.87
Total Debt/Tangible Net Worth	Times	0.92	3.08
PBDIT/Interest	Times	1.26	1.36

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Oct 2024	Letter of Credit	Short Term	25.00	ACUITE A4+ (Reaffirmed)
	Working Capital Term Loan	Long Term	1.20	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.06	ACUITE BB+ Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	5.00	ACUITE BB+ Stable (Reaffirmed)
20 Jul 2023	Letter of Credit	Short Term	20.00	ACUITE A4+ (Reaffirmed)
	Working Capital Term Loan	Long Term	2.20	ACUITE BB+ Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	3.00	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	7.06	ACUITE BB+ Stable (Reaffirmed)
06 May 2022	Letter of Credit	Short Term	30.60	ACUITE A4+ (Reaffirmed)
	Working Capital Term Loan	Long Term	1.66	ACUITE BB+ Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE D Downgraded (from ACUITE A4+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.06	Simple	ACUITE C Downgraded (from ACUITE BB+)
Union Bank of India	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE D Downgraded (from ACUITE BB+)
Union Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Dec 2026	1.20	Simple	ACUITE D Downgraded (from ACUITE BB+)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Name of the Companies
1	Shiv Prasad Eco Touchwood Private Limited
2	Shree Shankar Vijay Timber Exports Private Limited
3	Shiv Prasad Enterprises

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About Acuité Ratings & Research

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