CARE RATINGS PRESS RELEASE

May 05, 2020

Name Of The Company	Instruments	Rating	Amount (Rs.Cr.)
Metcon India Realty & Infrastructure Private Limited	Bank Facilities	CARE BB-; Stable/CARE A4 ISSUER NOT COOPERATING* [Revised from CARE BB; Stable/CARE A4]	46
Saico Cranes Private Limited	Bank Facilities	CARE B+; Stable ISSUER NOT COOPERATING*	9.30
Syndicate Wiper Systems Private Limited	Bank Facilities	CARE BB+; Stable/CARE A4+; ISSUER NOT COOPERATING* [Revised from CARE BBB- Stable/CARE A3;]	15
Arohan Financial Services Limited	Bank Facilities NCD	CARE A-; Stable CARE A-; Stable [Outlook revised from Positive]	4327.85 135
Shree Shakti Construction	Bank Facilities	CARE B+; Stable;/ CARE A4; ISSUER NOT COOPERATING	10.50
Kotecha Industries Limited	Bank Facilities	CARE D; ISSUER NOT COOPERATING*	6.50
Kinshuk Enterprise	Bank Facilities	CARE B+ /CARE A4; ISSUER NOT COOPERATING*	7.26
Indian Infradevelopers	Bank Facilities	CARE B+; Stable; ISSUER NOT COOPERATING*	6
Renew Solar Power Private Limited	Bank Facilities	CARE A; Stable	973.26
Madhya Pradesh Financial Corporation	Bank Facilities Bond	CARE A- (CE) CARE A- (CE) Placed on credit watch with Negative implications	495.39 158.86
Progressive Cars Private Limited	Bank Facilities	CARE B; Stable; ISSUER NOT COOPERATING* [Revised from CARE B+; Stable]	14.47
Sathwik Exports	Bank Facilities	CARE C; ISSUER NOT COOPERATING* [Revised from CARE B;]	5.50
Shree Krishnanand Infrastructure and Developers Private Limited	Bank Facilities	CARE D; ISSUER NOT COOPERATING*	9
Raju Chacko	Bank Facilities	CARE B; Stable; / CARE A4; ISSUER NOT COOPERATING* [Revised from CARE B+; Stable/CARE A4]	25
EZA Gold and Diamonds	Bank Facilities	CARE B; Stable; / CARE A4; ISSUER NOT COOPERATING*	13.50
Anjaneya Cotton Traders	Bank Facilities	CARE D; ISSUER NOT COOPERATING* [Revised from CARE B; Stable]	5.75
India Cartons	Bank Facilities	CARE B-; Stable; ISSUER NOT COOPERATING* [Revised from CARE BB-; Stable;]	10
Jaya Guru Saw Mill	Bank Facilities	CARE B; Stable;/ CARE A4; ISSUER NOT COOPERATING* [Revised from CARE B+; Stable;]	8
Sree Jeyasakthi Saw Mill	Bank Facilities	CARE C; Stable; / CARE A4; ISSUER NOT COOPERATING* [Revised from CARE B; Stable;]	9
Embee Agro Food Industries Private Limited	Bank Facilities	CARE B-; ISSUER NOT COOPERATING* [Revised from CARE B;]	20.33
Ritzy Chemicals Private Limited	Bank Facilities	CARE BB-; Stable/CARE A4 ISSUER NOT COOPERATING*	315

		[Revised from CARE BB+; Stable/CARE A4+]	
Agri Venture	Bank Facilities	CARE D/ CARE D; ISSUER NOT COOPERATING*	5.95
Hanuman Cotton Industries	Bank Facilities	CARE D; ISSUER NOT COOPERATING*	8.01
VBC Renewable Energy Private Limited	Bank Facilities	CARE D; ISSUER NOT CO-OPERATING*	14.20
Jagdamba Steels	Bank Facilities	CARE BB-; / CARE A4; ISSUER NOT COOPERATING* [Revised from CARE BB; Stable]	18
A.B. Pal Electricals Private Limited	Bank Facilities	CARE BB-; Stable/ CARE A4 [Revised from CARE BB; Stable]	56.50
Green Woods Palaces And Resorts Private Limited	Bank Facilities	CARE BBB+; Negative/ CARE A3+ [Outlook revised from Stable]	230.61
Tokai Engineering Private Limited	Bank Facilities	CARE C; Stable;/ CARE A4; ISSUER NOT COOPERATING* [Revised from CARE B-; Stable]	8

*Provisional Rating

CARE has classified instruments rated by it on the basis of complexity. This classification is available atwww.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications

Explanatory notes regarding rating symbols of CARE

Symbol	Explanation	Symbol	Symbol	Explanation		Symbol	
CARE A1	Superior	CARE AAA	CARE AAA (FD)	Best Quality	High Investment Grade	CCt 1	Very high project execution capability
CARE A2	Strong	CARE AA	CARE AA (FD)	High Quality	-do-	CCt 2	High project execution capability
CARE A3	Adequate	CARE A	CARE A (FD)	Adequate Safety	Investment Grade	CCt 3	Moderate project execution capability
CARE A4	Risk prone	CARE BBB	CARE BBB (FD)	Moderate Safety	-do-	CCt 4	Inadequate project execution capability
CARE D	Default	CARE BB	CARE BB (FD)	Inadequate safety	Speculative Grade	CCt 5	Poor project execution capability
		CARE B	CARE B (FD)	Risk Prone	-do-		
		CARE C	CARE C (FD)	High Risk	Poor Grade		
		CARE D	CARE D(FD)	Default	-do-		

Disclaimer

CAREs ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the Concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Metcon India Realty & Infrastructure Private Limited
May 5, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities	7.00	**CARE BB-; Stable; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable; ISSUER NOT COOPERATING)**	**Issuer not cooperating; Revised from CARE BB; Stable (Double B; Outlook: Stable) on the basis of best available information**
Long-term/Short-term Bank Facilities	39.00	**CARE BB-; Stable/CARE A4; ISSUER NOT COOPERATING (Double B Minus; Outlook: Stable/A Four; ISSUER NOT COOPERATING)**	**Issuer not cooperating; Revised from CARE BB; Stable/CARE A4 (Double B; Outlook: Stable/A Four) on the basis of best available information**
Total	**46.00 (Rupees Forty Six crore only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers
CARE has been seeking information from Metcon India Realty & Infrastructure Private Limited (MIRIPL) to monitor the rating(s) vide e-mail communications/ letters dated March 16, 2020, March 17, 2020, March 21, 2020, March 31, 2020 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. **In the absence of minimum information required for the purpose of rating, CARE is unable to express opinion on the rating.** Further, MIRIPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with the extant SEBI guidelines CARE's rating on MIRIPL's bank facilities will now be denoted as **CARE BB-; Stable/CARE A4; ISSUER NOT COOPERATING***.
Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).
The ratings have been revised on account of non-cooperation by MIRIPL and CARE's efforts to undertake a review of the ratings outstanding. CARE views information availability risk as a key factor in its assessment of credit risk.

Detailed description of the key rating drivers
At the time of last rating on October 4, 2019, the following were the rating strengths and weaknesses (updated from the details provided by the company):

Key Rating Weaknesses
Relatively modest & fluctuating scale of operations: The scale of operations of MIRIPL stood relatively modest with the total operating income (TOI) ranging from Rs.72.73 crore to Rs.83.82 crore over FY16-FY19. However, the same has been fluctuating over the same period owing to fluctuating order receipts and executions of the same. Given the relatively modest scale of operations, the tangible net-worth base also stood relatively modest at Rs.27.06 crore as on March 31, 2019 (vis-à-vis Rs.24.67 crore as on March 31, 2018), thereby limiting the financial flexibility of the company to that extent.
Moderate & fluctuating profit margins led by competitive nature of the construction industry: The PBILDT margin of MIRIPL stood moderate in the range of 5.86-8.17% during FY16-FY19, given the competitive nature of the construction industry requiring bidding process to be undergone. Moreover, the profit margins have been fluctuating over the aforementioned period owing to fluctuating prices of material and labour, coupled with differentiating requirements thereof, depending upon the type of work undertaken during the year.

Working capital intensive nature of operations: The operations of MIRIPL are working capital intensive in nature with funds of over 44-144 days blocked in debtors and a moderate portion of over 38-81 days blocked in inventory. Hence, the company stretched a credit period of over 77-195 days to its suppliers, thereby leading to a moderate operating cycle ranging from -5-51 days over FY16-FY19. Given this, the average cash credit utilization in the last 12 months ended December 2019 stood high at 92.06%.

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*
**Issuer did not cooperate; Based on best available information*

Key Rating Strengths

Moderate track record of operations with highly experienced promoters: The company has moderate track record of operations with about 12 years of existence in the construction industry. Moreover, the overall operations of MIRIPL are looked after by the promoters – Mr. Ashok Mehta, Mrs. Rakshita Mehta and Mr. Shaurya Mehta, who possess a total experience of over 34 years, 22 years and 9 years respectively in the construction industry.

Reputed clientele base with healthy order book position: Over the last many years of its existence, MIRIPL has established healthy relationship in the field of power, railways, land development, roads, dams, commercial complexes, real estate, etc. It possesses a healthy & reputed set of client base including Delhi Metro Rail Corporation Limited (DMRCL), Ircon International Limited (IIL), Rites Limited, Gujarat State Electricity Corporation Limited (GSECL), and many others, from whom it receives repeated orders. However, the clientele base stood concentrated with the top 5 customers comprising 94.15% of the net sales in FY19 (vis-à-vis 68.91% in FY18). Further, as on September 16, 2019, the company possesses a current unexecuted order book position with open orders worth Rs.167.13 crore which provides mid-term revenue visibility to the company.

Comfortable capital structure & moderate debt coverage indicators: The capital structure of MIRIPL stood comfortable with the overall gearing ranging from 0.69-1.02 times over the past four balance sheet dates ended March 31, 2019, given the moderate reliance on own funds. Given this, coupled with moderate profitability, the debt coverage indicators stood moderate with the total debt/GCA and interest coverage ranging from 5.00-8.17 times and 3.07-4.68 times during FY16 to FY19.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer]
[Criteria on assigning outlook and credit watch to Credit Ratings]
[CARE's Policy on Default Recognition]
[Rating Methodology – Construction Sector]
[Financial ratios (Non-Financial Sector)]

About the Company

Incorporated in 1998 as a partnership firm by Mr. Ashok Mehta and reconstituted as a private limited company in April 2010, Metcon India Realty and Infrastructure Private Limited (MIRIPL) is engaged in construction work on EPC basis in civil engineering which includes fabrication & erection work in the field of power, railways, land development, roads, dams, commercial complexes, real estate, etc. for various reputed companies viz. Delhi Metro Rail Corporation Limited (DMRCL), Ircon International Limited (IIL), Indian Oil Corporation Limited (IOCL), Maharashtra State Power Generation Company Limited (MSPGCL), Rites Limited, etc. The company has worked for Container Corporation of India Limited (CCIL), Gujarat State Electricity Corporation Limited (GSECL) and many others, from which it receives repeated orders. MIRIPL also operates a windmill of 1.5 MW near Nashik.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	72.73	81.25
PBILDT	5.94	6.35
PAT	2.08	2.39
Overall gearing (times)	0.98	0.69
Interest coverage (times)	3.07	3.31

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - LT/ ST-Bank Guarantees	-	-	-	39.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Stable / CARE A4 on the basis of best available information
Fund-based - LT-Bank Overdraft	-	-	-	7.00	CARE BB-; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Stable on the basis of best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Non-fund-based - LT/ ST-Bank Guarantees	LT/ST	39.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Stable / CARE A4 on the basis of best available information	-	1)CARE BB; Stable / CARE A4 (04-Oct-19) 2)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (04-Apr-19)	1)CARE BB; Stable / CARE A4 (09-Jul-18) 2)CARE A4; ISSUER NOT COOPERATING* (06-Apr-18)	-
2.	Fund-based - LT-Bank Overdraft	LT	7.00	CARE BB-; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Stable on the basis of best available information	-	1)CARE BB; Stable (04-Oct-19) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (04-Apr-19)	1)CARE BB; Stable (09-Jul-18) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (06-Apr-18)	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact No. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Mr. Ashish Kambli
Contact No. – +91-22-67543684
Email: ashish.kambli@careratings.com

Relationship Contact
Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over nearly two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

Saico Cranes Private Limited
May 05, 2020

Rating

Facilities	**Amount (Rs. crore)**	**Rating**[2]	**Rating Action**
Long-term Bank Facilities	**9.30**	**CARE B+; Stable ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable ISSUER NOT COOPERATING*)**	**Issuer not cooperating; on the basis of best available information**
Total	**9.30 (Rupees Nine crore and Thirty lakh only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 21, 2019, placed the rating of Saico Cranes Private Limited (SCPL) under the 'issuer non-cooperating' category as SCPL had failed to provide information for monitoring of the rating. SCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated April 22, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating takes into account relatively small & fluctuating scale of operations, low & volatile profit margins, working capital intensive nature of operations, moderate capital structure & weak debt coverage indicators, project execution risk, risks inherent to foreign exchange fluctuations & geopolitical uncertainties, presence in highly competitive & fragmented industry, established track record of operations coupled with highly experienced promoters in manufacturing of heavy material handling equipment, strong group support marked by operational synergies with group companies, and diversified market presence with wide end-user applications.

Detailed description of the key rating drivers

At the time of last rating on February 21, 2019, the following were the rating strengths and weaknesses (updated for the information available from ROC).

Key Rating Weaknesses

Relatively small & fluctuating scale of operations with low & volatile profit margins: The scale of operations of SCPL stood small, given the heavy machinery manufacturing nature of operations. Moreover, the same has been fluctuating over FY16-FY19 owing to fluctuating market sentiments in the domestic as well as the exports market. On the other hand, the PBILDT margin stood low and has been fluctuating over FY16-FY19, ranging from 0.82-3.52% over the same period. Given this, the PAT margin also stood low & fluctuating. The profit margins remained volatile over the aforementioned period owing to the fluctuations in raw material prices, especially the steel plates & steel forgings, coupled with competitive pricing required to be offered by the company to its customers.

Working capital intensive nature of operations: The operations of SCPL are working capital intensive in nature with a majority of funds blocked in inventory and high collection period and the same have elongated significantly over FY16-FY18. However, the operating cycle improved significantly from145 days in FY18 to 61 days in FY19 owing to a significant improvement in the inventory holding and the collection period.

Moderate capital structure & weak debt coverage indicators: The capital structure of SCPL stood moderate with the overall gearing ranging from 0.16-1.03 times over FY16-FY19, given the moderate reliance on external debt. Given the low profitability & cash accruals, the debt coverage indicators also stood weak with the total debt/GCA and interest coverage ranging from 2.57-1022.90 times and 1.29-15.26 times respectively over FY16-FY19.

Project execution risk: SCPL continues to face project execution risk with its ongoing manufacturing facility expansion project, as the same has yet not been completed till date.

Risks inherent to foreign exchange fluctuations & geopolitical uncertainties: SCPL is exposed to significant foreign exchange fluctuation risk, since company exports, whereas it does not undertake hedging of the said exposure. Moreover,

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*
**Issuer did not cooperate; Based on best available information*

the company is also exposed to risks related to various geopolitical uncertainties, since its exports reach out to various Middle East and African countries, which are prone to such uncertainties.

Presence in highly competitive & fragmented industry: SCPL operates in a highly competitive & fragmented industry with a large number of players engaged in the manufacturing of heavy material handling equipment, catering both to the domestic as well as the exports market.

Key rating strengths

Established track record of operations with highly experienced promoters: SCPL possesses a reasonable track record of over 15 years of operations in manufacturing of heavy material handling equipment viz. EOT cranes. The overall operations of SCPL are looked after by Alimchandani family who possesses a total experience of over four decades in the field of manufacturing of heavy material handling equipment.

Strong group support marked by operational synergies with group companies: The concerns forming part of the Saico Group include SCPL, Saico Engineers & Fabricators (SEF), Saico Multiproducts Private Limited (SMPL) and Sai Engineers (SE). Moreover, SCPL also shares significant operating synergies with SEF and SMPL, in terms of purchases of crane spare parts from SEF, purchase of table trolleys from SMPL and outsourcing of fabrication work to SMPL.

Diversified market presence with wide end-user applications: SCPL caters to various parts of India and also exports the said products to various countries viz. Uganda, Ghana, Ethiopia, Kenya, Bangladesh, Nepal, Bhutan, Vietnam, UAE, Qatar, Saudi Arabia and Russia, whereas the end-user application of these products is found in various sectors viz. railways (in railway workshops), steel rolling mills, casting & forging of various metals, automobiles, auto components, engineering, cement, automation, construction, etc.

Analytical approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
Criteria on assigning outlook and credit watch to Credit Ratings
CARE's Policy on Default Recognition
Rating Methodology - Manufacturing Companies
Financial ratios (Non-Financial Sector)

About the Company

Incorporated in 2004 by Alimchandani family, SCPL is engaged in manufacturing of heavy material handling equipment viz. EOT (Electrical Overhead Traveller) cranes, traversers, transfer trolleys, spares, etc. finding wide range of applications as material handling equipment for heavy equipment viz. railway wagons, heavy steel items, heavy automobile parts, etc. The company caters to various parts of India and also exports the said products to various African countries, and also a few regions of Asia, Middle East and Europe, whereas the capacity of the cranes manufactured is about 60 tons. On the other hand, the raw materials viz. electrical motors, steel forgings, etc. are procured from the domestic manufacturers of the same, mainly in & around Maharashtra.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	15.61	35.60
PBILDT	0.13	1.04
PAT	-0.04	0.16
Overall gearing (times)	1.03	1.00
Interest coverage (times)	1.29	2.82

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	0.50	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - LT-Bank Guarantees	-	-	-	4.00	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	-	4.80	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	0.50	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (21-Feb-19)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (26-Mar-18)
2.	Non-fund-based - LT-Bank Guarantees	LT	4.00	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (21-Feb-19)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (26-Mar-18)
3.	Fund-based - LT-Term Loan	LT	4.80	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (21-Feb-19)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (26-Mar-18)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact No. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Mr. Ashish Kambli
Contact No. – +91-22-67543684
Email: ashish.kambli@careratings.com

Relationship Contact
Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

About CARE Ratings:
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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

Syndicate Wiper Systems Private Limited
May 5, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[3]	Rating Action
Long-term Bank Facilities	5.00	**CARE BB+; Stable; ISSUER NOT COOPERATING* (Double B Plus; Outlook: Stable; ISSUER NOT COOPERATING)**	**Revised from CARE BBB- Stable; ISSUER NOT COOPERATING (Triple B Minus; Outlook: Stable; ISSUER NOT COOPERATING) on the basis of best available information**
Long-term/Short-term Bank Facilities	10.00	**CARE BB+; Stable/CARE A4+; ISSUER NOT COOPERATING* (Double B Plus/A Four Plus; Outlook: Stable; ISSUER NOT COOPERATING)**	**Revised from CARE BBB-Stable/CARE A3; ISSUER NOT COOPERATING (Triple B Minus; Outlook: Stable/A Three; ISSUER NOT COOPERATING) on the basis of best available information**
Total	**15.00 (Rupees Fifteen crore only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers
CARE had, vide its press release dated February 8, 2019, placed the rating of Syndicate Wiper Systems Private Limited (SWSCPL) under the 'issuer non-cooperating' category as SWSPL had failed to provide information for monitoring of the rating. SWSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated April 22, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.
Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).
The ratings have been revised on account of non-cooperation by SWSCPL and CARE's efforts to undertake a review of the ratings outstanding. CARE views information availability risk as a key factor in its assessment of credit risk.

Detailed description of the key rating drivers
At the time of last rating on February 8, 2019, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies):

Key rating Weakness
Relatively modest albeit growing scale of operations: The scale of operations stood relatively modest which limits the company's financial flexibility in times of stress and thus is more vulnerable to intense competition from organized players operating in automobile industry and have limited pricing flexibility, which constrains their profitability as compared with larger companies which have better efficiencies and pricing power in comparison to SWSPL. However, the total operating income has increased to Rs.175.89 crore in FY19 as against 154.43 crore in FY18. The tangible net-worth base continues to remain moderate at Rs.25.42 crore as on March 31, 2019.
Minimal Foreign exchange fluctuation risk: SWSPL imports 9.45% of its raw material purchases from Japan and the products are sold mainly in the domestic markets. With 9.45% cash outlay in foreign currency and sales realization is mainly in domestic currency, the company is exposed to the fluctuation in exchange rates to certain extent.
Highly competitive & fragmented industry: SWSPL operates in a highly competitive and fragmented market which consists of large to small size players. This competitive and fragmented nature of the industry can have an impact on the profitability margin of the firm. The wiper blades can be differentiated on the basis of quality, reliability along with their compatibility with different variants of car. The products of the company are also required to meet the legal requirement thereby providing an assurance of road safety. Thus, ability of the company to continuously adapt to changes in the market can have an impact on the market share of the company.
Moderately leveraged capital structure albeit moderate debt coverage indicators: The capital structure of SWSPL stood moderately leveraged with the overall gearing ranging from 0.84-1.91 times over past four balance sheet dates ended March 31, 2019, given the moderately high reliance on working capital bank borrowings to fund the working capital requirements. However, given the moderate profitability, the debt coverage indicators stood moderate with the total debt/GCA and interest coverage ranging from 2.78-5.10 times and 2.34-4.85 times respectively over FY16-FY19.

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*
**Issuer did not cooperate; Based on best available information*

Key Rating Strengths
Experienced promoters and long track record of operations: SWSPL was incorporated in 1961 and has a track record of around five and a half decade in auto components industry. The current promoters of the company i.e. Mr. Inderjot Singh Chandok, Mr. Prabhjot Singh Chandok, and Mr. Ravijot Singh Chandok hold an experience of around four decades in the industry through their association with SWSPL. On account of long track record of operations and experience of the promoters, the company has gained a reputation and has established good relationships with its customers & suppliers.
Reputed although concentrated customer base: The company has been associated with a number of reputed customers since its inception thereby the counter-party risk gets mitigated to an extent on the back of healthy credit profile of these reputed clients. Nevertheless, long-standing association with reputed customer base has guaranteed continuous orders y-o-y.
Moderate profit margins: The PBDILT margin of the company has remained moderate and in the range of 5.52%-7.95% during past four years ended FY19 and the PAT margin also stood relatively low in the range of 1.19%-3.17% during past over the same period owing to high depreciation and interest charges due to high reliance on external debt mainly in the form of interest bearing unsecured loan and on-going gross block addition.
Moderate liquidity position and comfortable operating cycle: The operations of SWSPL are moderately working capital intensive in nature with a moderate level of funds of over 33-52 days blocked in debtors followed by 6-44 days in inventory. On the other hand, a moderate credit period of over 47-58 days has been extended by the suppliers to the company. Given all of the above, the operating cycle stood comfortable at 3-43 days over FY16-FY19.

Analytical Approach: Standalone

Applicable criteria
[Policy in respect of Non-cooperation by issuer]
[Criteria on assigning outlook and credit watch to Credit Ratings]
[CARE's Policy on Default Recognition]
[Rating Methodology - Manufacturing Companies]
[Financial ratios (Non-Financial Sector)]

About the company
Syndicate Wiper Systems Private Limited (SWSPL) was incorporated in1961 by Late Jaswant Singh Chandok and is currently being managed by Mr. Inderjot Singh Chandok, Mr. Prabhjot Singh Chandok, and Mr. Ravijot Singh Chandok. The company is primarily engaged in manufacturing of automobile wiper blades & arms. The company procures its raw material i.e. galvanized aluminium; stainless steel wires, high carbon wires, coating powder, cold rolled close annealed (CRCA) sheets and rubber element domestically. However, it imports from Japan as and when required depending on the specifications of the order. SWSPL mainly sells its products domestically across India under the brand name of Syndicate. Besides SWSPL, the group consists of Syndicate Exhaust Systems Pvt Ltd and Syndicate Auto Components.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	154.43	175.89
PBILDT	8.52	13.99
PAT	2.79	5.57
Overall gearing (times)	0.84	1.12
Interest coverage (times)	3.28	4.85

A: Audited

Status of non-cooperation with previous CRA: ISSUER NOT COOPERATING by CRISIL vide press release dated January 30, 2020

Any other information: Not applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	4.50	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT/ ST-Forward Contract	-	-	-	5.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT-Proposed fund based limits	-	-	-	0.50	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT/ ST-Buyers Credit	-	-	-	5.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATING* on the basis of best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	4.50	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE BBB-; Stable; ISSUER NOT COOPERATING* (08-Feb-19)	1)CARE BBB-; Stable (08-Jan-18)
2.	Fund-based - LT/ ST-Forward Contract	LT/ST	5.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	-	1)CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATING*	1)CARE BBB-; Stable / CARE A3

				Issuer not cooperating; Revised from CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATING* on the basis of best available information			(08-Feb-19)	(08-Jan-18)
3.	Fund-based - LT-Proposed fund based limits	LT	0.50	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE BBB-; Stable; ISSUER NOT COOPERATING* (08-Feb-19)	1)CARE BBB-; Stable (08-Jan-18)
4.	Fund-based - LT/ ST-Buyers Credit	LT/ST	5.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATING* (08-Feb-19)	1)CARE BBB-; Stable / CARE A3 (08-Jan-18)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact No. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Mr. Ashish Kambli
Contact No. – +91-22-67543684
Email: ashish.kambli@careratings.com

Relationship Contact
Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over nearly two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

Arohan Financial Services Limited
May 05, 2020

Ratings

Facilities/Instrument	Amount (Rs. crore)	Ratings[1]	Rating Action
Long-Term Bank Facilities	**4327.85 (Rs. Four thousand three hundred twenty seven crore and eighty five lakh only)**	**CARE A-; Stable (Single A Minus; Outlook: Stable)**	**Revised from CARE A-; Positive (Single A Minus; Outlook: Positive)**
Unsecured Subordinated Non-convertible Debentures (NCD)	**135.00 (Rs. One hundred and thirty five crore only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities/instruments of Arohan Financial Services Ltd (Arohan) continue to draw comfort from the experience of the promoters and board of directors with professional management team, moderate track record of operation, adequate risk management system and IT infrastructure, reducing geographical concentration of portfolio and diversified funding profile in terms of lenders though skewed towards term loans. The ratings also take into account the satisfactory financial performance in 9MFY20 (refers to the period April 2019 to December 2019) marked by growth in interest income and improvement in return indicators, though credit cost increased. With moderation in portfolio growth in Q3FY20, the capitalisation witnessed improvement with overall Capital Adequacy Ratio (CAR) at 26.41% as on December 31, 2019.

The ratings continue to be constrained by the limited seasoning of the loan portfolio with aggressive growth witnessed in the portfolio including growth in newer geographies, foray into loans to MSMEs which is associated with higher delinquency and loans to other MFIs which are higher in ticket size, though in aggregate the same remained low at about 9% of loan portfolio, inherent risks in the micro finance industry including unsecured lending, regulatory risks & socio-political intervention and operational risks related to cash based transaction.

The ratings also takes note of the significant exposure of Arohan in Assam region where collections have been impacted since Q3FY20 due to various socio-political issues and delinquencies have witnessed a sharp rise. Credit cost had increased to 2.7% in 9MFY20 from 1.31% in FY19 due to the same. Assam contributed to about 20% of the Assets under Management (AUM) of Arohan as on December 31, 2019 and though the portfolio at risk (PAR) > 90 days was low at 0.9% and fully provided for, the PAR > 0 was substantial at 20.6% of the Assam portfolio. PAR > 0 in Assam further increased to 27.05% as at the end of February 2020.

Outlook: Stable

The outlook has been revised from 'Positive' to 'Stable' considering the deterioration in asset quality and expectation of further increase in credit cost going forward due to outbreak of Covid-19 and vulnerability of the portfolio in Assam. The growth rate of the portfolio had also moderated since Q3FY20 considering the increase in delinquencies. The ability to grow the loan book and control credit costs remains to be seen considering the nationwide outbreak and uncertainty with respect to achieving normalcy. The company has extended moratorium to its borrowers as per the RBI guidelines, however, the ability of the borrowers to pay back immediately after the moratorium is over remains critical. CARE would continue to monitor the developments with regards to asset quality and collection efficiency. The company has also applied for moratorium to its lenders and has received confirmation from some of the lenders. Considering the available cash and bank balance, it is in a position to meet liabilities till end of May 2020, without taking into account the moratorium.

The company had definite plans to raise substantial equity by end of Q4FY20 though a strategic investor to fund the growth in portfolio and maintain healthy capitalisation. However, with the present situation, there has been a delay in the same and now company expects to infuse equity by end of Q1FY21. As indicated by the management, in case of further delay, the promoters/promoter-managed funds would infuse equity to support capitalisation. The company has a demonstrated track record of raising equity in the past.

Rating Sensitivities

Positive factors

- Substantial improvement in capitalisation level and Tier I CAR being maintained at minimum 18% on a sustained basis.
- Gross Non-Performing Assets (GNPA) remaining below 1% on a sustained basis
- Sustaining improvement in ROTA.
- Further reduction in geographical concentration and growth in portfolio going forward.

Negative Factors

- In case Tier I CAR goes below 12% on a sustained basis
- ROTA reducing to lower than 2% on a sustained basis going forward
- Significant increase in GNPA going forward and deterioration in collection efficiency on a sustained basis.

Detailed description of the key rating drivers

Key Rating Strengths

Experienced promoters

Arohan is promoted by Aavishkaar-Intellecap Group, headed by Mr.Vineet Rai. In Sep 2012, the group acquired around 56% stake in Arohan from previous promoters i.e. Mr. Subhankar Sengupta and other institution investors. Mr. Vineet Rai has around two decades of experience in early stage investing, small business incubation and microfinance business.

Experienced and professional management team

Arohan's board comprises of 12 members, having significant experience in the banking and financial sectors. The board is headed by Mr. D.K. Mittal (Chairman), a former IAS officer who has served the Government of India in various capacities. Mr. Manoj Nambiar (Managing Director) has about 30 years of experience in consumer finance and retail banking. He was elected as the Chairman of MFIN in July 2019.

The senior management team is also considerably experienced with clear demarcation of roles and responsibilities.

Significant growth in scale of operation with moderate track record of operation

Arohan commenced micro-financing operations from 2006. The scale of operation has significantly increased post takeover by the new management in September 2012. The AUM of the company has been increasing continuously with a CAGR of around 80% for the last 4 years (FY15-FY19). AUM witnessed growth of about 86% in FY19 from Rs.2171 crore as on Mar.31, 2018 to Rs.4045 crore as on Mar.31, 2019 and further to Rs.4646 crore as on Dec. 31, 2019.

The increase in AUM was on account of increase in own portfolio (from Rs.2,058 crore as on Mar.31, 2018 to Rs.3,490 crore as on Mar.31, 2019 and further to Rs.4,106 crore) as well as increase in securitized portfolio. However, the growth rate of the AUM has moderated in Q3FY20.

Adequate risk management system and adequate IT infrastructure

The company has migrated to FIS (Core Banking System) from Omni in July 2017. FIS Profile is a real-time, multi-currency deposit and loan core banking system, developed by Fidelity National Information Services Inc. (FIS), provider of financial services technology and outsourcing services. The data of all the connected outlets/branches are located at one centralized location, the management information system (MIS) functions can be undertaken more effectively, without much dependency on service outlets/branches, for the required quantum of data. The system is connected in real time to all of the branches as well as to the smartphone based loan processing applications used by the field officers. Each branch has a terminal that provides facilities for branch data entry, loan processing and cash collections.

Diversified funding profile skewed towards term loans

Arohan has a moderately diversified resource profile with a mix of equity, long term loans, bank borrowings and debentures. The company has loan facilities from 43 banks and financial institutions. However, in terms of nature of borrowing, term loans comprised 92% of borrowings. The proportion of funds mobilized through cash credit and debentures continued to remain low at around 2% and 6% as on March 31, 2019.

Improvement in return indicators

Interest income of Arohan grew by about 88% y-o-y to Rs.537 crore in FY19 driven by significant increase in loan portfolio. NIM remained stable at 9.11% in FY19 (9.10% in FY18), as there was marginal increase in both lending and borrowing cost. Other income as % of Average Total Assets (ATA) increased from 2.32% in FY18 to 3.15% in FY19 due to significant increase in income from securitisation during the year. Operating expense (excluding provisions & write-offs)/ATA remained relatively stable at 6.14% in FY18 to 6.02% in FY19. Accordingly, ROTA improved from 1.66% in FY18 to 3.61% in FY19.

In 9MFY20, NIM increased to 11.25% and opex cost/ATA improved further to 5.31%. Credit cost increased significantly to 2.70%, mainly due to worsening of quality of portfolio in Assam region. ROTA improved to 3.90% as the increase in credit cost was more than compensated by decline in opex and higher NIM. AUM grew to Rs.4646 crore as on December 31, 2019.

However, with the recent outbreak of Covid-19, the credit costs are likely to increase going forward, impacting profitability and return indicators.

Reducing geographical concentration, though it remains moderate

The geographical concentration of loan portfolio in West Bengal, the top state in terms of exposure, reduced from 29% of AUM as on March 31, 2018 to 24% of AUM as on March 31, 2019. Though on absolute level the loan portfolio has grown in all states, the concentration risk has reduced. In FY19, the company started lending in Madhya Pradesh taking its presence in MFI business to 10 states. Further, in the MSME business, the company is disbursing loans in Maharashtra, Karnataka and Telangana where it does not have any MFI presence. Top 3 states comprised 61% of AUM as on Mar.31, 2019 as against 66% as on Mar.31, 2018. However, the contribution of top 3 states increased to 66% as on Dec.31, 2019 with increase in exposure to West Bengal to about 27% of portfolio.

Improvement in CAR

Arohan's CAR declined from 23.63% as on March 31, 2018 to 20.05% as on March 31, 2019, despite equity infusion of Rs.193 crore in FY19. The Tier I CAR declined from 16.81% as on March 31, 2018 to 15.86% as on March 31, 2019. This was due to higher dependence on debt to fund the significant increase in scale of operations with delay in raising equity. Overall gearing as on Mar.31, 2019 was 4.37x.

The promoters infused equity of Rs.130 crore in September 2019. As a result of equity infusion and moderation in portfolio growth, the Overall and Tier I CAR improved to 26.41% and 21.99% as on December 31, 2019. The overall gearing also improved to 3.75x as on December 31, 2019.
The company had further plans of raising equity by end of FY20 to fund portfolio growth and improve the capitalisation level. However, with outbreak of Covid-19, the equity infusion has been delayed.

Key Rating Weaknesses

Moderation in asset quality with significant exposure in Assam

Gross NPA improved significantly from 1.29% as on March 31, 2018 to 0.66% as on March 31, 2019 but declined to 0.98% as on December 31, 2019. The moderation in asset quality was mainly due to Arohan's exposure to Assam (~20% of AUM). As on Dec 31, 2019, PAR>30 days was 8.34% in Assam, whereas ex-Assam, the PAR>30 days was 1.80%. The overall PAR>30 days as on December 31, 2019 was 3.13% (0.94% as on March 31, 2019), which further increased to 5.28% as on February 29, 2020. Net NPA continued to remain nil. CARE will continue to monitor the developments with respect to asset quality.

Limited seasoning of loan portfolio

The portfolio of Arohan has witnessed substantial growth in the last few years and increased from Rs.2,171 crore as on Mar.31, 2018 to Rs.4,045 crore as on Mar.31, 2019. The company has also ventured into newer geographies. Hence, there is limited seasoning in the portfolio. The first cycle borrowers remained at about 45% as on March 31, 2019. Third cycle and above loans increased from 14% on March 31, 2018 to 19% as on March 31, 2019.

Venturing into loans to other MFIs and exposure to MSME loans

The company has increased its exposure to MSME loans and loans extended to other MFIs in FY19. Loans to MSME segment (AUM) increased to Rs.191 crore as on Mar.31, 2019 as against Rs.76 crore as on Mar.31, 2018. The company mainly lends to MSMEs in Maharashtra, Karnataka and Telangana post-merger of Intellecash Microfinance Network Company Pvt. Ltd (Intellecash). The same is a riskier asset class with higher delinquencies. However, the company plans to keep such portfolio at maximum of 4% of overall AUM.
Loans to other MFIs increased to Rs.174 crore as on Mar.31, 2019 from Rs.34 crore as on Mar.31, 2018 which are higher in ticket size. However, the loans are disbursed after adequate due diligence of the MFIs including operating and promoter strength, track record, geographical presence and cash flow analysis. The company plans to keep this portfolio within 5% of the AUM. The total exposure to MSME and corporate loans remained at about 9% of portfolio as on Dec.31, 2019.

Inherent risks in the micro finance industry with increasing competition

Arohan faces competition from larger MFIs who have better access to resources and enjoy the economies of large scale operations. Further, banks and NBFCs are also trying to increase their direct presence in rural areas to meet the priority sector lending requirement.
Post the Andhra Pradesh crisis and regulatory intervention by RBI, the microfinance sector has seen strong growth in loan portfolio on account of improving funding profile, control over operating expenses, improving margins and moderate leverage levels. The sector has evolved with the advent of credit bureaus in the sector and subsequent control over asset quality. However, it remains exposed to event based risks and marginal profile of borrowers. The recent outbreak of Covid-19 is likely to impact asset quality and credit costs. The ability to withstand event risks and avoid further deterioration in the asset quality leading to impact in the overall profitability will be the key considerations.
The credit view will continue to factor in risks associated with unsecured lending, socio-political intervention, geographic concentration and operational risks related to cash based transactions.

Liquidity: Adequate

The ALM of Arohan as on December 31, 2019 indicated no negative cumulative mismatches in short-term buckets with relatively shorter tenure of advances as compared to tenure of borrowings.
The company has extended moratorium to its borrowers as per RBI guidelines and has also applied for moratorium from its lenders.
However, the company had cash and bank balance of Rs.541 crore, undrawn sanctioned credit lines of Rs.305 crore and unpledged FDs of Rs.48 crore as on March 31, 2020, as against a debt repayment obligation of Rs.822 crore till June 30, 2020, without considering the grant of moratorium. Few of the lenders have already granted moratorium to the company. Additionally, the company is in the process of raising fresh funds in the form of both debt and equity in the near term.

Analytical approach: Standalone

Applicable Criteria

Criteria on assigning Outlook and credit watch to Credit Ratings
CARE's Policy on Default Recognition
Financial ratios –Financial Sector
Rating Methodology- Non Banking Financial Companies

About the Company

Arohan (erstwhile Arohan Financial Services Pvt. Ltd), which started MFI operations in 2006, is a Kolkata-based Non-Banking Finance Company-Microfinance Institution (NBFC-MFI), registered with the Reserve Bank of India (registration in January 2014).
Arohan is majorly engaged in microfinance activity and managed AUM of Rs.4,646 crore as on December 31, 2019 across 10 States for MFI activity and 3 states for MSME lending. The top 3 states for MFI lending are West Bengal, Assam and Bihar.
Vide order of National Company Law Tribunal (NCLT), received in March 2018, Intellecash and Arohan were merged with effect from April 01, 2017. Intellecash provided working capital and business loans to MSME in the range of Rs. 1.0 lakh-Rs. 100.0 lakh.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	327.02	634.65
PAT	29.67	112.08
Interest coverage (times)	1.39	1.62
Total Assets	2,354.16	3,863.32
Net NPA (%)	0.00	0.00
ROTA (%)	1.66	3.61

A: Audited

Status of non-cooperation with previous CRA: Not Applicable
Any other information: Not Applicable
Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	ISIN	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-		-	April 2025	4222.45	CARE A-; Stable
Fund-based - LT-Cash Credit	-		-	-	105.00	CARE A-; Stable
Fund-based - LT-Bank Overdraft	-		-	-	0.40	CARE A-; Stable
Debt-Non-convertible Debenture/Subordinate Debt	Oct.24, 2019	INE808K08061	12.85%	Oct.25, 2026	25.00	CARE A-; Stable
Debt-Non-convertible Debenture/Subordinate Debt	Mar.28, 2018	INE808K08046	13.50%	Apr.28, 2025	65.00	CARE A-; Stable
Debt-Non-convertible Debenture/Subordinate Debt	Aug.14, 2018	INE808K08053	13.50%	Sep.14, 2025	35.00	CARE A-; Stable
Debt-Subordinate Debt	Sep. 20, 2016	INE808K08012	14.25%	Sep. 20, 2022	10.00	CARE A-; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	4222.45	CARE A-; Stable	-	1)CARE A-; Positive (25-Feb-20) 2)CARE A-; Positive (10-Oct-19) 3)CARE A-; Positive (05-Apr-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)	1)CARE A-; Stable (26-Mar-18) 2)CARE A-; Stable (01-Mar-18) 3)CARE A-; Stable (21-Aug-17) 4)CARE A-; Stable (13-Jul-17)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)	1)CARE A-; Stable (13-Jul-17)
3.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (08-Oct-18)	1)CARE A-; Stable (13-Jul-17)
4.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)	1)CARE A-; Stable (13-Jul-17)
5.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)	1)CARE A-; Stable (13-Jul-17)
6.	Debt-Subordinate Debt	LT	10.00	CARE A-; Stable	-	1)CARE A-; Positive (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)	1)CARE A-; Stable (26-Mar-18) 2)CARE BBB+; Stable (13-Jul-17)
7.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (25-Feb-20) 2)CARE A-; Positive (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)	1)CARE A-; Stable (13-Jul-17)
8.	Fund-based - LT-Cash Credit	LT	105.00	CARE A-; Stable	-	1)CARE A-; Positive (25-Feb-20) 2)CARE A-; Positive (10-Oct-19) 3)CARE A-; Positive (05-Apr-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)	1)CARE A-; Stable (26-Mar-18) 2)CARE A-; Stable (01-Mar-18)
9.	Debt-Non-convertible Debenture/Subordinate Debt	LT	100.00	CARE A-; Stable	-	1)CARE A-; Positive (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)	1)CARE A-; Stable (26-Mar-18)
10.	Fund-based - LT-Bank Overdraft	LT	0.40	CARE A-; Stable	-	1)CARE A-; Positive (25-Feb-20) 2)CARE A-; Positive (10-Oct-19)	-	-
11.	Debt-Non-convertible Debenture/Subordinate Debt	LT	25.00	CARE A-; Stable	-	1)CARE A-; Positive (24-Oct-19)	-	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no: +91-22-6837 4424
Email ID : mradul.mishra@careratings.com

Analyst Contact
Name: Ms. Mamta Muklania
Contact no. : 033-4018 1651/98304 07120
Email ID : mamta.khemka@careratings.com

Business Development Contact
Name: Mr. Lalit Sikaria
Contact no. : 033-40181607
Email ID : lalit.sikaria@careratings.com

About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

Shree Shakti Construction
May 05, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Rating Action
Long-term Bank Facilities	8.50	**CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable; ISSUER NOT COOPERATING)**	Issuer not cooperating; Based on Best Available Information
Short-term Bank Facilities	2.00	**CARE A4; Issuer Not Cooperating* (A Four; ISSUER NOT COOPERATING)**	Issuer not cooperating; Based on Best Available Information
Total Facilities	**10.50 [Rupees Ten crore and Fifty lakh only]**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 12, 2019 placed the rating of Shree Shakti Construction (SSC) under the 'issuer non-cooperating' category as SSC had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. SSC continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 09, 2020, April 15, 2020 and April 17, 2020. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers

At the time of last rating done on February 12, 2019, the following were the rating strengths and weaknesses

Detailed description of key rating drivers

Key Rating Weaknesses

Small scale of operations with moderate profitability

During FY17, total operating income (TOI) of SSC improved to Rs.22.12 crore as compared to Rs.20.75 crore during FY16 on account of increase in execution of orders. However, it stood at small level. PBILDT margin and PAT margins stood at 9.20% and 2.21% respectively during FY17 as against 10.45% and 2.16% respectively during FY16.

Leveraged capital structure and weak debt coverage indicators

The capital structure of the firm as marked by an overall gearing ratio stood leveraged at 2.41 times as on March 31, 2017 which improved from 2.61 times as on March 31, 2016 on the back of increase in net worth base due to accretion of profits to reserves. Total debt to GCA stood weak at 16.13 times as on March 31, 2017 while the interest coverage ratio stood at moderate level at 1.49 times during FY17.

Competitive nature of construction industry

The construction industry is fragmented in nature with a large number of medium scale players present at the regional level coupled with the tender driven nature of the construction contracts that poses huge competition and puts pressure on the profitability margins of the players.

Proprietorship nature of its constitution

SSC, being a partnership firm, is exposed to inherent risk of partners' capital being withdrawn at time of personal contingency which may put pressure on financial flexibility of the firm.

Key Rating Strengths

Experienced proprietor

SSC was established in the year 2008 by Mr Merabhai Bharwad who is having more than two decades of experience in the construction industry. The long standing industry experience of the proprietor has led to strong relationships with the customers and suppliers.

Liquidity Position: Stretched

The liquidity position remained stretched as marked by operating cycle of 116 days during FY17 and current ratio of 1.21 times as on March 31, 2017. The average working capital utilisation remained at 95% during past 12 months ended December, 2017. The cash and bank balance remained at Rs.0.92 crore, while the net cash flow from operations remained at Rs.2.26 crore as on March 31, 2017.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer did not cooperate; Based on best available information*

Analytical approach: Standalone
Applicable Criteria
[Policy in respect of Non-cooperation by issuer]
[Criteria on assigning 'outlook' to Credit Ratings]
[CARE's Policy on Default Recognition]
[Criteria for Short Term Instruments]
[Rating Methodology – Construction Sector]
[Financial ratios – Non-Financial Sector]

About the Firm
Ahmedabad (Gujarat) based SSC is a proprietorship firm established by Mr Merabhai Bharwad in the year 2008. Mr Merabhai Bharwad has an experience of 22 years in the construction industry. SSC undertakes construction work of roads for the Ahmedabad Municipal Corporation and Road and Buildings Department (R&B), Government of Gujarat. SSC is 'AA' class rated contractor with Road and Buildings Department, Government of Gujarat.

Brief Financials (Rs. crore)	FY16(A)	FY17 (A)
Total operating income	20.75	22.12
PBILDT	2.17	2.04
PAT	0.45	0.49
Overall gearing (times)	2.61	2.41
Interest coverage (times)	1.34	1.49

A-Audited
Status of non-cooperation with previous CRA: Not Applicable
Any other information: Not Applicable
Rating History: As per Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	8.50	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	2.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	8.50	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (12-Feb-19)	1)CARE B+; Stable (18-Jan-18)
2.	Non-fund-based - ST-Bank Guarantees	ST	2.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE A4; ISSUER NOT COOPERATING* (12-Feb-19)	1)CARE A4 (18-Jan-18)

*Issuer did not cooperate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com.Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Name - Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Name - Ms. Shreeda Shah
Contact no. – +91-79-40265636
Email ID- shreeda.shah@careratings.com

Relationship Contact
Name - Mr. Deepak Prajapati
Contact no. – +91-79-40265656
Email ID: deepak.prajapati@careratings.com

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Kotecha Industries Limited
May 05, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Rating Action
Long-term Bank Facilities	3.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on Best Available Information
Short-term Bank Facilities	3.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on Best Available Information
Total Facilities	**6.50 [Rupees Six crore and Fifty lakh only]**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers
CARE had, vide its press release dated February 14, 2019 placed the ratings of Kotecha Industries Limited (KIL) under the 'issuer non-cooperating' category as KIL had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. KIL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 09, 2020, April 15, 2020 and April 17, 2020. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.
Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers
At the time of last rating done on February 14, 2019, the following were the rating strengths and weaknesses (updated for details available from publicly available information)

Detailed description of key rating drivers
Key Rating Weaknesses
Ongoing delays in debt servicing: KIL has been irregular in servicing its debt obligation and there are on-going delays in debt servicing due to weak liquidity position of the company.

Analytical approach: Standalone

Applicable Criteria
Policy in respect of Non-cooperation by issuer
Criteria on assigning 'outlook' to Credit Ratings
CARE's Policy on Default Recognition
Rating Methodology - Manufacturing Companies
Financial ratios – Non-Financial Sector

About the Company
KIL is a closely held limited company, incorporated on May 9, 2008 and promoted by Mr Hardik Kotecha and Mr Manharlal Kotecha. The company is engaged into the trading Poly Vinyl Chloride (PVC) resin in domestic markets based on the orders given by customers. KIL has set up its unit in Rajkot and has a branch office and a warehouse in Mumbai. The PVC resin is procured from suppliers spread across India as well as is imported from South Korea.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer did not cooperate; Based on best available information*

Brief Financials (Rs. crore)	FY15 (A)	FY16 (A)
Total operating income	65.61	90.27
PBILDT	3.66	3.87
PAT	1.68	1.89
Overall gearing (times)	0.80	0.73
Interest coverage (times)	4.36	4.69

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History: As per Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	3.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Letter of credit	-	-	-	3.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	3.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19)	1)CARE D; ISSUER NOT COOPERATING* (01-Dec-17)
2.	Non-fund-based - ST-Letter of credit	ST	3.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19)	1)CARE D; ISSUER NOT COOPERATING* (01-Dec-17)

*Issuer did not cooperate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com.Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Name - Mradul Mishra
Contact no. – +91-22-6837 4424
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Name - Ms. Shreeda Shah
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Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.
In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.
Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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Kinshuk Enterprise
May 05, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Rating Action
Long-term Bank Facilities	0.46	**CARE B+; ISSUER NOT COOPERATING* (Single B Plus; ISSUER NOT COOPERATING)**	Issuer not cooperating; Based on Best Available Information
Long-term/Short-term Bank Facilities	6.50	**CARE B+ /CARE A4; ISSUER NOT COOPERATING* (Single B Plus/A Four ; ISSUER NOT COOPERATING)**	Issuer not cooperating; Based on Best Available Information
Short-term Bank Facilities	0.30	**CARE A4; ISSUER NOT COOPERATING* (A Four ; ISSUER NOT COOPERATING)**	Issuer not cooperating; Based on Best Available Information
Total Facilities	**7.26 (Rupees Seven crore and Twenty Six lakh only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 19, 2019 placed the rating of Kinshuk Enterprise (KE) under the 'issuer non-cooperating' category as KE had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. KE continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 09, 2020, April 15, 2020 and April 17, 2020. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers

At the time of last rating done on February 19, 2019, the following were the rating strengths and weaknesses

Detailed description of key rating drivers

Key Rating Weaknesses

Low profitability

The profit margins remained low on account of processing and trading nature of business. The PBILDT margins remained in the range of 1.09% to 2.25% during last three years ended FY16.

Leveraged capital structure and weak debt coverage indicators

Due to increase in working capital bank borrowing to support increasing scale of operations, the overall gearing deteriorated from 1.07 times to 2.00 times as on March 31, 2016. Its debt coverage indicators also remained weak on account of low profitability and high gearing.

Key Rating Strengths

Consistent increase in scale of operations albeit low profitability

The TOI of the firm has increased from Rs.30.84 crore to Rs.35.88 crore in FY16 depicting growth of 15.85% on y-o-y basis. KES also commenced processing of agro products such as Millet, Cumin seeds and Sesame seeds since October, 2015.

Liquidity Position: Stretched

The liquidity of the firm remained stretched as indicated by operating cycle of 74 days during FY16 (50 days during FY15). Overall operations remained highly working capital intensive in nature marked by 85% of net working capital as a percentage of the total capital employed as on March 31, 2016.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

**Issuer did not cooperate; Based on best available information*

Analytical approach: Standalone

Applicable Criteria
Policy in respect of Non-cooperation by issuer
Criteria on assigning 'outlook' to Credit Ratings
CARE's Policy on Default Recognition
Rating Methodology - Manufacturing Companies
Criteria for Short Term Instruments
Financial ratios – Non-Financial Sector

About the Firm
KE was formed in 2010 as a partnership firm by Mr. Suraj Vadhava, Mr Nandkishor Wadhawa and Mrs. Kasturaben Wadhawa. In April 2013, a new partner Mr Naval Wadhawaal so joined the firm. KE is engaged in the business of trading, processing and export of agro commodities such as Cumin seeds, Sesame seeds, Watermelon seeds, Groundnut seeds, Fenugreek, Cattle feed, Psyllium husk powder, Guar gum powder etc. KE operates from its facilities located at Sidhpur, Gujarat. KE sells its products in the domestic market as well as exports it to Turkey, Iran and Morocco.

Brief Financials (Rs. crore)	FY15 (A)	FY16 (A)
Total operating income	30.84	35.88
PBILDT	0.67	0.81
PAT	0.05	0.05
Overall gearing (times)	1.07	2.00
Interest coverage (times)	1.42	1.42

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History: As per Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.46	CARE B+; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT/ ST-Cash Credit	-	-	-	6.50	CARE B+ / CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Forward Contract	-	-	-	0.30	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	0.46	CARE B+; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE B+; ISSUER NOT COOPERATING* (19-Feb-19)	1)CARE B+; ISSUER NOT COOPERATING* (08-Jan-18) 2)CARE B+; Stable (28-Apr-17)
2.	Fund-based - LT/ ST-Cash Credit	LT/ST	6.50	CARE B+ / CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE B+ / CARE A4; ISSUER NOT COOPERATING* (19-Feb-19)	1)CARE B+ / CARE A4; ISSUER NOT COOPERATING* (08-Jan-18) 2)CARE B+; Stable / CARE A4 (28-Apr-17)
3.	Non-fund-based - ST-Forward Contract	ST	0.30	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE A4; ISSUER NOT COOPERATING* (19-Feb-19)	1)CARE A4; ISSUER NOT COOPERATING* (08-Jan-18) 2)CARE A4 (28-Apr-17)

*Issuer did not cooperate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Name - Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Name - Ms. Shreeda Shah
Contact no. – +91-79-40265636
Email ID- shreeda.shah@careratings.com

Relationship Contact
Name - Mr. Deepak Prajapati
Contact no. – +91-79-40265656
Email ID: deepak.prajapati@careratings.com

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Indian Infradevelopers
May 05, 2020

Rating

Facilities	**Amount (Rs. crore)**	**Rating[1]**	**Rating Action**
Long-term Bank Facilities	6.00	**CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable; ISSUER NOT COOPERATING)**	Issuer not cooperating; Based on Best Available Information
Total Facilities	**6.00 (Rupees Six crore only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers
CARE had, vide its press release dated March 27, 2019 placed the rating of Indian Infradevelopers (IID) under the 'issuer non-cooperating' category as IID had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. IID continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 09, 2020, April 15, 2020 and April 17, 2020. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.
Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers
At the time of last rating done on March 27, 2019, the following were the rating strengths and weaknesses

Detailed description of key rating drivers
Key Rating Weaknesses
Decline in turnover during FY17
During FY17, the TOI of IID declined to Rs.8.25 crore as against Rs.13.82 crore during FY16, while the orders executed were largely for the government entities in the state of Gujarat..
Moderate profitability and debt coverage indicators
During FY17, the operating profits stood moderate at Rs.1.59 crore (19.24%) as against Rs.1.48 crore (10.70%) during FY16. The debt coverage indicators as marked by total debt to gross cash accrual (TDGCA) deteriorated marginally and stood at 6.70 times as on March 31, 2017 as against 5.65 times as on March 31, 2016. The interest coverage ratio also remained moderate at 2.05 times during FY17 (2.73times during FY16).
Partnership nature of constitution coupled with presence in highly competitive and tender driven construction industry
Construction industry is fragmented in nature with a large number of medium scale players present at the regional level. This coupled with the tender driven nature of construction contracts poses huge competition and puts pressure on the profit margins of the players. IID being a partnership entity, there is inherent risk of possibility of withdrawal of capital and dissolution of the firm in case of retirement/insolvency/personal contingency of any of the partners.

Key Rating Strengths
Experienced partners
The key partner, Mr Dilipsinh J Borana has more than two decades of experience in the construction industry. He has developed long standing relationship with key government customers located in the state of Gujarat.
Comfortable capital structure
The capital structure of the firm stood comfortable as marked by overall gearing of 0.79 times as on March 31, 2017 as against 0.80 times as on March 31, 2016.

Liquidity position: Stretched
The liquidity position of IID remained stretched as marked by elongated operating cycle of 255 days during FY17 as against 133 days during FY16 due to an increase in average collection and inventory holding period. The overall operations remained working capital intensive in nature as marked by high working capital limit utilization at 80% during the past 12 months ended February, 2018. The cash and bank balance stood at Rs.0.13 crore, while the net cash flow from operations remained at Rs.0.95 crore as on March 31, 2017.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer did not cooperate; Based on best available information*

Analytical approach: Standalone

Applicable Criteria
[Policy in respect of Non-cooperation by issuer]
[Criteria on assigning 'outlook' to Credit Ratings]
[CARE's Policy on Default Recognition]
[Rating Methodology – Construction Sector]
[Financial ratios – Non-Financial Sector]

About the Firm
Established in January 2013, Surendranagar-based (Gujarat) IID is a partnership firm run by four partners having equal profit and loss sharing proportion in the firm. IID is engaged into the business of construction, repair & maintenance of roads. IID is registered as 'AA' class approved contractor by Government of Gujarat and works generally on road construction, repair and maintenance contract of roads for Government of Gujarat.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	13.82	8.25
PBILDT	1.48	1.59
PAT	0.27	0.27
Overall gearing (times)	0.80	0.79
Interest coverage (times)	2.73	2.05

A: Audited
Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History: As per Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft	-	-	-	6.00	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Bank Overdraft	LT	6.00	CARE B+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE B+; Stable (06-Apr-18)	-

*Issuer did not cooperate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Name - Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Name - Ms. Shreeda Shah
Contact no. – +91-79-40265636
Email ID- shreeda.shah@careratings.com

Relationship Contact
Name - Mr. Deepak Prajapati
Contact no. – +91-79-40265656
Email ID: deepak.prajapati@careratings.com

About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over nearly two decades; it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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Renew Solar Power Private Limited
May 05, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities – Term Loan	973.26	CARE A; Stable (Single A; Outlook: Stable)	Assigned
Total facilities	973.26 (Rs. Nine hundred seventy three crore and twenty six lakh only)		

Details of instruments/facilities in Annexure-1

Key Rating Drivers of Renew Solar Power Private Limited
The rating assigned to bank facilities of RSPPL derives strength from experienced & strong promoter viz. Renew Power Private Limited (RPPL, rated CARE A+; Stable, CARE A1+) that is backed by strong investors with majority shareholding with Goldman Sachs, established track record of the group in the renewable energy sector being one of the largest player in India, presence of long-term power purchase agreements (PPAs) for operational capacity of RSPPL under various subsidiaries aggregating to 2.1 GW, diversified operational portfolio and satisfactory operational track record. The rating also takes into account long term off-take arrangement through Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Company Limited (MSEDCL) at a fixed tariff for entire tenure for 250 MW project set-up at RSPPL standalone level and the successful commissioning of the project.

The rating is, however, constrained by increased counterparty credit risks with around 60% of operational capacity of RSPPL consolidated tied-up under long-term PPAs with various state utilities having relatively weak financial profile, large expansion plans to increase the installed power capacity leading to sizeable capital requirement as well as exposure to inherent project implementation and stabilization risks, although partly mitigated by satisfactory track record of raising funds by the ultimate promoter viz. RPPL, refinancing risks arising out of bank facilities and NCDs raised at RSPPL and SPV levels, short-to-medium track-record of operations of a significant portion of the operational capacity, regulatory and policy risk, interest rate fluctuation risk, dependence on climatic conditions for power generation. Also, strengths are tempered by stabilization risks as the 250 MW project is recently commissioned, limited operational track record of around 5 months and counter party credit risk on account of moderate financial profile of the offtaker viz. MSEDCL.

Additionally, payment patterns from majority of the state discoms is expected to be uncertain and erratic given current disruption in Indian power sector due to COVID-19 pandemic related national level lock down significantly impacting the power demand across India. Though the renewable energy projects enjoy a 'must-run' status, timely receipt of payments would be crucial from cash flows perspective.

Key Rating Sensitivities
Positive sensitivities:
- Achievement of generation at better than P-90 levels for operational portfolio on sustainable basis
- Sustained improvement in operating cash flows of the company at both consolidated and standalone level with timely commissioning of under construction projects
- Improvement in financial risk profile including reduction in leverage levels and improvement in Debt/PBILDT and Debt/GCA

Negative Sensitivities:
- Significantly lower than envisaged CUF/PLF levels for various operational projects on consolidated level leading to deterioration in debt coverage indicators
- Delays in execution of various under implementation projects leading to any material adverse impact on financials of the company due to invocation of PBGs or reduction in tariffs
- Inability or delay in fund raising for meeting requirements of under-implementation projects
- Any regulatory changes in the renewable energy sector leading to negative impact on cash flows of the group

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Detailed description of the key rating drivers
Key Rating Strengths
Experienced and resourceful promoters:
RSPPL is a subsidiary of RPPL, one of the leading players in the renewable power sector in India which was founded by Mr. Sumant Sinha in 2011 with single largest equity stake held by Goldman Sachs group along with other key investors such as Canada Pension Plan Investment Board (CPPIB), Abu Dhabi Investment Authority (ADIA), Jera Power and South Asia Clean Energy Fund (SACEF). The Goldman Sachs group, through its investment arm, GS Wyvern Holdings Limited (GSH), has been making significant equity investment in RPPL since FY12 and is the majority shareholder. Subsequently, other investors, SACEF, ADIA (through its arm Green Rock A 2014 Ltd), JERA and CPPIB have made significant investment and also GSH has participated in further rounds of equity fund raising by the company. Recently, in June 2019, RPPL raised fresh equity of USD 300 million (~Rs.2100 crore) through rights issue with three of the existing investors participating. The company has expanded its capacity significantly to become one of the largest renewable energy company in India. As on January 2020, RPPL has operational capacity of 5.33 GW (61% - Wind, 39% - Solar), majority of which have tied-up long-term PPAs. In addition, Renew has about 2.60 GW of power projects under implementation or in planning stage.

One of the largest players in the solar power segment in India with diversified portfolio: As on January 2020, RSPPL has operational capacity of around 2.1 GW (consolidated basis) all of which have tied up under PPA ranging from 10 years to 25 years. Out of 2.1 GW operational capacity around 320 MW capacity is put-up directly under RSPPL (250 MW – MSEDCL, 50 MW – NVVN and 20 MW – Karnataka State discom). In addition, the company has around 1.5 GW of power projects under implementation or in various stages of planning (consolidated basis). Post commissioning of currently under implementation capacity of 1.5 GW, RSPPL will have an operational capacity of around 3.60 GW at consolidated levels. Also, in terms of location of the operational projects, the company is diversified with presence in 7 states across India. Also, the company is providing power to a diversified set of off-takers including various state discoms having moderate to weak financial risk profile, though the risk is mitigated to an extent from diversification with no single off-taker having more than 25% share in operational capacity as on January 2020. Further, post commissioning of the entire 1.5 GW pipeline, exposure towards state PPAs is expected to decrease as under construction projects largely have SECI as counterparty which has a relatively strong financial risk profile.

Successful track record of commissioning and operating solar projects in India: Despite a rapid scale up of capacity, the company has been able to complete majority of the projects in a timely manner. Although a significant portion of the capacity has short to medium track record of operations, the operational track record has largely been satisfactory, so far.

Successful commissioning of entire 250 MW capacity at standalone level having long-term PPA at a fixed tariff:
The 250 MW (AC) capacity directly under RSPPL was successfully commissioned on October 27, 2019. With commissioning of entire capacity, execution risk is mitigated. RSPPL also has another 70 MW of operational solar capacity set-up directly under RSPPL (aggregate capacity of 320 MW set-up directly under RSPPL).
RSPPL has executed PPA with MSEDCL for 250 MW directly under itself at a fixed tariff of Rs.2.72 per kWh for a period of 25 years. With a long-term off-take arrangement at a fixed tariff, the company has long-term revenue visibility.

Moderately comfortable debt coverage indicators:
The door to door tenor of the term loan is elongated and debt coverage indicators are expected to be moderately comfortable at standalone project level. DSRA comprising one quarter interest and principal repayment has already been created in line with the sanction term. Additional 1 quarter to be built using the project cash flows during the moratorium period i.e. by October 2020.
As per the sanctioned terms, RPPL has provided irrevocable and continuing corporate guarantee to the security trustee valid till completion of 3 years from COD along with fulfilment of other conditions as stipulated in loan documents.

Industry Outlook
There is great thrust from Govt. for improving the share of solar power in India's overall power mix which is reflected from various policy initiatives. There had been muted solar power generation capacity additions during FY19 & H1FY20 on the back of imposition of safeguard duty on import of solar modules, lack of clarity w.r.to GST rate on solar modules and cancellation of large amount of solar auctions. However, looking at the already allotted capacity and govt.'s push for achieving targeted solar capacity of 100 GW by end FY22, capacity additions are likely to improve in next two to three years. Solar projects have relatively lower execution risks, stable long term revenue visibility with long term off take arrangements at a fixed tariff, minimal O&M requirements, tariffs comparable to conventional power generation, must run status of solar power projects and upward revision in solar RPO achievement targets. However, there are concerns like increased difficulties in land acquisition, inadequate grid connectivity on account of poor evacuation infrastructure, relatively lesser track record of technology in Indian conditions, lack of stricter RPO enforcement by the state regulators, very high dependence on imported solar cells and modules, regulatory haze in terms of renegotiation of tariff in concluded PPAs and cancellation of concluded auctions, weak financial risk profile of Discoms with significant delays in

payment by few state Discoms, increased difficulties in debt tie-up. Overall, positive and negative developments in the sector counterbalance each other, thereby resulting in a stable outlook. Going forward key monitorables would be prices of solar modules, performance of the modules in Indian conditions, developments in claim of off-takers for renegotiation of PPAs, modalities to compensate under change in law for safeguard duty, payment pattern of off-takers, imposition of any anti-dumping duty by India to safeguard domestic solar module manufacturers, capacity additions of rooftop solar and regulatory stance.

Key Rating Weaknesses

Counter party credit risks at consolidated level:

Since the company's SPVs are selling a significant portion of power to the state distribution utilities having moderate to weak financial risk profile, it is exposed to the credit risk associated with exposure to state distribution utilities. However, the risk is mitigated to an extent due to diversification in terms of off-takers. Additionally, significant amount of under implementation capacity have PPAs with relatively stronger counterparties (SECI, GUVNL) which will lead to increase in overall exposure from currently around 40% to around 57% of operational capacities to relatively stronger counterparties where payment track records have been relatively better. Going forward, company plans to increase participation in tenders having relatively stronger counterparties (SECI, NTPC, GUVNL etc.). Nevertheless, timely receipt of payments from the various off-takers would be critical from cash flow perspective.

Large expansion plans:

As on January, 2020, the company had under implementation capacity of around 1.5 GW. Nevertheless, the group has a track record of successfully raising funds from various investors in the past and has recently raised USD 300 million at RPPL level from existing investors which is partially being utilized for funding the under implementation capacity. The group also plans to utilize internal cash accruals to some extent as they have an operational capacity of 5.4 GW as on January 2020 which mitigates the funding risk to some extent. Nonetheless, the company's future expansion plans will result in significant requirement of funds, for which the company would be dependent upon fund raising from various investors (existing and new) and capital markets (domestic and international).

Interest rate fluctuation risk, regulatory and policy risk:

RSPPL is exposed to increase in interest rate going forward, due to fully floating nature of interest on various bank facilities availed by it. Also, there are concerns in the renewable energy sector in India like delays in land acquisition, imposition of safeguard duty on import of solar modules and lack of stricter RPO enforcement by the state regulators which may impact the operational as well as under implementation capacities of the group, going forward. Also, RSPPL operates solar power projects under various state and national level schemes with presence across various states in India including AP, MP, Telangana, Gujarat, Karnataka, Maharashtra, Rajasthan and Tamil Nadu. This exposes the company to uncertainties and unfavourable changes in policies across various states.

Susceptibility of operating performance to change in climatic conditions:

Achievement of desired solar power generation would be subject to change in climatic conditions, amount of degradation of modules as well as technological risks.

Limited Operational Track Record of 250 MW project at standalone level, moderate financial risk profile of the off-taker:

The plant has a limited operational track record of around 5 months post commissioning of the entire capacity in October 2019. The plant generated net CUF of 21.99% for 5MFY20; lower net CUF during 5MFY19 was mainly on account of initial stabilization phase. P-90 CUF for the project is envisaged at 27.43% for 1st full year of operations as per the resource assessment study. However, the generation levels have been satisfactory for February and March 2020. Nevertheless, going forward, achievement of envisaged generation levels would be crucial from cash flow perspective.

The 250 MW project is exposed to credit risk related to sole offtaker MSEDCL, which has a moderate financial risk profile; however, the payments are being received in about 30 to 31 days as against stipulated timeline of 30 days as per PPA. Also, the project is eligible for pass through of safeguard duty (petition filed with Maharashtra Electricity Regulatory Commission) under Change in law clause of PPA though the same is pending for approval.

Liquidity: Adequate

RSPPL's liquidity is adequate with unencumbered cash & bank balance of around Rs. 71.60 crore at consolidated levels and around Rs.4.10 crore at standalone level as on 29th February, 2020 (exclusive of DSRA and margin money). RSPPL is dependent upon ultimate promoter, RPPL, for infusion of funds to meet support requirements for operational projects and equity requirements for various under construction capacity.

At standalone project level, the company has DSRA balance of 1 quarter in the form of FD of Rs. 30.85 crore. In addition to DSRA, project has unrestricted cash balance of Rs. 68.80 crore as on April 9, 2020.

Analytical approach: Standalone

Applicable Criteria

CARE's methodology for Infrastructure sector ratings
Criteria on assigning Outlook and Credit Watch to Credit Ratings
CARE's Policy on Default Recognition
Rating Methodology: Solar Power Projects
CARE's methodology for private power producers
Financial Ratios – Non-Financial Sector

About the Company – Renew Solar Power Private Limited

Renew Solar Power Private Limited (RSPPL), incorporated in June 2012, is a wholly owned subsidiary promoted by RPPL set up for developing and holding solar power projects directly or through its subsidiaries (excluding Rooftop projects). As on January, 2020, RSPPL has operational solar power capacity of 2081 MW spread over Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Rajasthan and Telangana. In addition, RSPPL has 1515 MW of solar power projects under implementation or in planning stage, in the states of Rajasthan, Gujarat and Uttar Pradesh, which are expected to become operational in the current and upcoming financial years in phases. RSPPL and its wholly owned subsidiary ReNew Solar Energy Private Limited (RSEPL) are also undertaking EPC work for some of the group's solar power projects. While the equipment's are generally procured directly by the respective SPVs, RSPPL and RSEPL undertake civil and balance of plant works. RSSPL also earns revenue through management services to its subsidiaries, which it outsources to RPPL. Additionally, RSPPL has set up a around 320 MW of projects directly under itself which are fully operational as on March 2020.

Brief Financials – RSPPL Standalone (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	233.36	198.93
PBILDT	51.86	95.10
PAT	(36.02)	(37.89)
Overall gearing (times)	0.90	1.56
Interest coverage (times)	0.65	0.69

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	October 2038	973.26	CARE A; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Debentures-Non Convertible Debentures	LT	200.00	CARE A+ (CE); Stable	1)CARE A+ (CE); Stable (06-Apr-20)	-	1)CARE A+ (SO); Stable (18-Feb-19)	1)CARE A+ (SO); Stable (01-Mar-18)
2.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (06-Apr-20)	-	1)CARE A+ (SO); Stable (18-Feb-19)	1)CARE A+ (SO); Stable (01-Mar-18)
3.	Commercial Paper	ST	65.00	Provisional CARE A1+ (CE)	1)Provisional CARE A1+ (CE) (06-Apr-20)	1)Provisional CARE A1+ (CE) (30-Aug-19)	1)Provisional CARE A1+ (SO) (18-Feb-19) 2)Provisional CARE A1+ (SO) (10-Oct-18) 3)Provisional	-

							CARE A1+ (SO) (18-Sep-18) 4)Provisional CARE A1+ (SO) (04-Sep-18) 5)Provisional CARE A1+ (SO) (16-Jul-18)	
4.	Commercial Paper	ST	55.00	Provisional CARE A1+ (CE)	1)Provisional CARE A1+ (CE) (06-Apr-20)	1)Provisional CARE A1+ (CE) (30-Aug-19)	1)Provisional CARE A1+ (SO) (18-Feb-19) 2)Provisional CARE A1+ (SO) (26-Dec-18) 3)CARE A1+ (SO) (04-Sep-18)	-
5.	Commercial Paper	ST	30.00	Provisional CARE A1+ (CE)	1)Provisional CARE A1+ (CE) (06-Apr-20)	1)Provisional CARE A1+ (CE) (30-Aug-19)	1)CARE A1+ (SO) (18-Feb-19) 2)CARE A1+ (SO) (26-Dec-18) 3)CARE A1+ (SO) (18-Sep-18)	-
6.	Commercial Paper	ST	100.00	Provisional CARE A1+ (CE)	1)Provisional CARE A1+ (CE) (06-Apr-20)	1)Provisional CARE A1+ (CE) (30-Aug-19)	1)Provisional CARE A1+ (SO) (18-Feb-19) 2)CARE A1+ (SO) (26-Dec-18) 3)CARE A1+ (SO) (10-Oct-18)	-
7.	Fund-based - LT-Term Loan	LT	-	-	1)Withdrawn (06-Apr-20)	-	1)CARE A+ (SO); Stable (27-Mar-19)	-
8.	Un Supported Rating	LT	0.00	CARE A	1)CARE A (06-Apr-20)	-	-	-
9.	Un Supported Rating	ST	0.00	CARE A1	1)CARE A1 (06-Apr-20)	-	-	-
10.	Fund-based - LT-Term Loan	LT	973.26	CARE A; Stable	-	-	-	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities

Name of the Instrument (Term Loan availed for 250 MW Solar project)	Detailed explanation
A. Financial covenants	
DSCR	The borrower shall maintain the DSCR as stated in the banking base case during the currency of loan. • DSCR shall not be lower than banking base case as defined in the financing documents.
B. Non-financial covenants	
Consolidation, Merger, Sale of Assets, Investment and Acquisitions	• Effect or enter into transaction of merger, de-merger, consolidation, re-organization, scheme of amalgamation or reconstruction, or for sale, lease, transfer or otherwise dispose of any project assets other than permitted disposal; • Make any investment by way of deposits, bonds,

	share capital, or in any other than the permitted investments with the cash flows from the project; • Utilize the facility for any speculative purpose.
Restricted Payments	The borrower shall not make any restricted payments from the cash flows of the project with the prior approval of the lenders and if the restricted payment conditions are satisfied.
Security Interest	The Issuer shall not create any security interest on or in any of the secured property or any of its other property or assets in relation to the project in favour of any other person, except with prior permission in writing from the lenders

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Name - Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com
Analyst Contact
Name – Kunal Arora
Contact No: +91-11-45333247
Email ID –kunal.arora@careratings.com

Business Development Contact
Name - Swati Agrawal
Contact no. : +91-11-45333237
Email ID – swati.agrawal@careratings.com

About CARE Ratings:
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Madhya Pradesh Financial Corporation

May 5, 2020

Ratings

Facilities	Amount (Rs. Crore)	Ratings[5]	Rating Action
Long-term Bank Facilities	300.00	**CARE A- (CE) [Single A Minus (Credit Enhancement)] Under credit watch with Negative implications**	**Placed on credit watch with Negative implications**
Long-term Bank Facilities	195.39	**CARE A- (CE) [Single A Minus (Credit Enhancement)] Under credit watch with Negative implications**	**Placed on credit watch with Negative implications**
Total Facilities	**@495.39 (Rupees Four Hundred Ninety Five Crore Thirty Nine lakh only)**		
Long-term bond Issue	158.86	**CARE A- (CE) [Single A Minus (Credit Enhancement)] Under credit watch with Negative implications**	**Placed on credit watch with Negative implications**
	^158.86 (Rupees One Hundred Fifty Eight Crore Eighty Six lakh only)		

Details of facilities in Annexure-1

@The above facilities are backed by credit enhancement in the form of unconditional and irrevocable guarantees extended by Government of Madhya Pradesh (GoMP) for timely servicing of the said bank facilities.

^The bond issues are backed by credit enhancement in the form of guarantees extended by GoMP for timely servicing of these bonds.

Unsupported Rating [6]	CARE D

Note: Unsupported Rating does not factor in explicit credit enhancement

Detailed Rationale & Key Rating Drivers

The rating of the bank facilities of Madhya Pradesh Financial Corporation (MPFC) is primarily based on the credit enhancement available in the form of an unconditional and irrevocable guarantees extended by Government of Madhya Pradesh (GoMP) for ensuring timely debt servicing of these facilities. Further, the rating of the rated instruments is also based on government guarantees extended by GoMP for ensuring timely debt servicing of these instruments.

CARE has placed the ratings of MPFC under 'Credit watch with negative implications' owing to non-payment of interest on one of the bonds issued by MPFC, on due date. The debt servicing of the aforesaid bond issue (with ISIN no.INE348F08035) is guaranteed by government of Madhya Pradesh (GoMP).

As per CARE's interaction with the management of MPFC, the aforesaid payment was delayed on account of operational issues due to lockdown situation in the country, owing to the spread of Covid-19 pandemic. Furthermore, as per CARE's interaction with the debenture trustee, government guarantee on the aforesaid bond is not yet invoked.

CARE has sought data on liquidity position of MPFC and shall also monitor the actions of the debenture trustee / GoMP with regards to such non-payment of interest. CARE shall resolve the watch once clarity on the above events and its impact on the credit risk profile of MPFC or guarantor emerge.

CARE also takes note of the company availing moratorium for its debt obligations, including interest on working capital limits, as a Covid relief measure (as permitted by the Reserve Bank of India). The moratorium is approved by majority of its lenders.

Madhya Pradesh continues to be fiscally strong and its economy has seen a favorable growth over the years. The state has been adhering to the fiscal consolidation norms of the 14th Finance Commission and is eligible for additional fiscal

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*

[2] *As stipulated vide SEBI circular no SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2019/ 70 dated June 13, 2019*

limit as per the recommendations of the 14th Finance Commission. The state has been focusing on asset creation and has been maintaining a Guarantee Redemption Fund (GRF).
With the revenue expenditure of the state growing at a faster pace than its revenue income, its revenue surplus has seen moderation. The state is seen to have low self- reliance for revenues and its debt has been growing over the years. The liquidity situation of Madhya Pradesh is adequate.

For unsupported rating:
The unsupported rating of MPFC is based on its standalone credit assessment and takes into account on-going delays in debt servicing of term loan principal and interest (not rated by CARE) by MPFC, as informed by the client and confirmed by the lenders. The delays are mainly on account of deterioration in asset quality of MPFC's loan portfolio resulting in delay in recoveries, adversely impacting the liquidity of the company.

Rating Sensitivities of GoMP
Positive factors

- State maintaining a revenue surplus
- Adherence to all the FRBM targets
- Creation of Consolidated Sinking fund

Negative factors

- Non adherence to the FRBM targets
- Additional farm loan waivers that could pressurize state finances.

Detailed description of the key rating drivers (i.e. GoMP, the credit enhancement provider)
Key Rating Strengths
Favorable Economic Growth
The state has registered positive economic growth since FY14. At 7% yoy growth in FY19, the state's GSDP growth was higher than the 6.2% growth in previous year. However, it continued to be lower than the 9.1% growth in FY16 and the 12.5% growth in FY17. Madhya Pradesh's economy is fairly broad based. While the services sector had 39% share in the GSDP, that of agriculture sector was nearly 34% and industrial sector had nearly 27% share in the GSDP of Madhya Pradesh in FY19. The 3 main sectors have registered positive growth over the past 3 years.

Fiscal Prudence
The state continues to be fiscally strong. It has been in adherence to the fiscal consolidation norms laid down by the Finance Commission and has been granted fiscal flexibility of additional borrowing (additional 0.5% fiscal deficit) under the 14th Finance Commission during FY17 – FY19. The state has been sustaining a revenue surplus since FY05 and has been maintaining its fiscal deficit within the stipulated target (below 3% and 3.5%). The debt burden too is manageable with the interest payments accounting for less than 10% of its revenues and outstanding debt being less than 25% of GSDP.

Sustained Revenue Surplus
The State has been maintaining revenue surplus since FY05. However, there has been a notable decline in the quantum of state's revenue surplus in recent years. In FY19, at Rs.137 crs it was 97% lower than year ago as the revenue expenditure of the state grew at a higher pace than the revenue receipts and increased revenue expenditure on economic and social services. The revenue surplus is budgeted to increase to Rs. 733 cr in FY20.

Expenditure incurred towards asset creation
The State has been seen to undertake increased expenditure towards asset creation. The capital outlay of the state is mainly concentrated towards economic services such as irrigation and flood control (32%), transport (21%), rural development (11%) and social services such as water supply sanitation and urban development (9%).

Improvement in Infrastructure
The State has seen improvement in physical infrastructure over the years. Rail density improved from 16.1 kms per thousand sq km in FY11 to 16.6 kms per thousand sq km in FY17. Road density has improved considerably from 94.1 km per 100 sq km in FY16 to 111.2 km per 100 sq km in FY17. As on FY18, the State did not face any power deficit.

Maintenance of GRF to meet contingencies
The state has a Guarantee Redemption Fund (GRF) since FY06, with a corpus of Rs 409.79 crore by the end of FY19.

Key Rating Weaknesses
Lower degree of self-reliance
The self sufficiency of the state measured as states own revenue as a percentage of revenue receipts was low at 41.3% in FY19 (RE).

Absence of consolidated sinking fund
The state does not have a Consolidated Sinking Fund (CSF). In terms of the guidelines of the Reserve Bank of India, States are required to contribute to the Consolidated Sinking Fund, a minimum of 0.5% of their outstanding liabilities as at the end of the previous year.

Liquidity: Adequate
The state has not availed liquidity support from the RBI by way of WMA or overdraft facility so far in 2019-20 (as of January 2020). As such, the liquidity situation of the Madhya Pradesh government can be perceived to be adequate in 2019-20.

Analytical Approach:
Unsupported rating: Standalone
Credit Enhancement (CE) rating: Assessment of the Guarantor, GoMP
CARE has analyzed MPFC's credit profile by considering credit enhancement provided by irrevocable and unconditional guarantee deeds / order extended by GoMP to the lenders of MPFC for the rated bank facilities and one of the four series of bond issues.
Further for the balance three series of bond issues, CARE has considered credit enhancement in the form of an irrevocable and unconditional government guarantee deed extended in favour of MPFC (the issuer), where bondholders shall encounter challenges to enforce these provisions of unconditionality and irrevocability against GoMP in case of default; as per a legal opinion provided by Mumbai based law firm M/s Sterling Associates.

Applicable Criteria:
Criteria on assigning 'outlook' and 'credit watch'
CARE's Policy on Default Recognition
Rating Methodology - State Governments
Financial ratios - Financial Sector
Rating Methodology: Consolidation and Factoring Linkages in Ratings

About the Company (MPFC)
Madhya Pradesh Financial Corporation (MPFC) was incorporated in 1955 under the State Financial Corporations Act, 1951. It is a state level financial corporation providing long term and medium term, fund based and non-fund based financial assistance to industrial, infrastructural, social sector organizations in Madhya Pradesh (MP) with focus on small and medium sized industries. It has its headquarters at Indore – the industrial hub of MP and has a network of nine branches and seven business development centres. MPFC is headed by the board of directors which includes senior bureaucrats, nominees of SIDBI, HUDCO and LIC, financial experts and banking professionals.

Brief Financials of MPFC (Rs. Crore)	FY18 (A)	FY19 (A)
Total Operating Income	112.56	99.08
PAT	-11.39	-58.45
PBILDT / Interest Coverage (times)	0.91	0.21
Net NPA (%)	16.31	33.03
ROTA (%)	-1.00	-5.43

A: Audited

Status of non-cooperation with previous CRA: Not Applicable
Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	300.00	CARE A- (CE) (Under Credit watch with Negative Implications)
Term Loan-Long Term	-	-	Nov. 2025	195.39	CARE A- (CE) (Under Credit watch with Negative Implications)
Bonds-Redeemable Non-Convertible Unsecured Taxable Bonds	November 07, 2014	9.20% p.a.	19-11-2024	100.00	CARE A- (CE) (Under Credit watch with Negative Implications)
Bonds-Secured Redeemable Bonds	15.03.2010 16.03.2011 23.02.2012	9.15%, 8.89% and 10.20%	30.06.2020 01.06.2021 01.03.2021	58.86	CARE A- (CE) (Under Credit watch with Negative Implications)
Un Supported Rating-Un Supported Rating (Long Term)	-	-	-	0.00	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	300.00	CARE A- (CE) (Under Credit watch with Negative Implications)	-	1)CARE A- (CE); Stable (13-Dec-19)	1)CARE A- (SO); Stable (14-Sep-18)	1)CARE A- (SO); Stable (04-Oct-17)
2.	Term Loan-Long Term	LT	195.39	CARE A- (CE) (Under Credit watch with Negative Implications)	-	1)CARE A- (CE); Stable (13-Dec-19)	1)CARE A- (SO); Stable (14-Sep-18)	1)Provisional CARE A- (SO); Stable (04-Oct-17)
3.	Bonds-Redeemable Non-Convertible Unsecured Taxable Bonds	LT	100.00	CARE A- (CE) (Under Credit watch with Negative Implications)	-	1)CARE A- (CE); Stable (13-Dec-19)	1)CARE A- (SO); Stable (14-Sep-18)	1)CARE A- (SO); Stable (04-Oct-17)
4.	Bonds-Secured Reedemable Bonds	LT	58.86	CARE A- (CE) (Under Credit watch with Negative Implications)	-	1)CARE A- (CE); Stable (13-Dec-19)	1)CARE A- (SO); Stable (14-Sep-18)	1)CARE A- (SO); Stable (04-Oct-17)
5.	Un Supported Rating-Un Supported Rating (Long Term)	LT	0.00	CARE D	-	1)CARE D (13-Dec-19)	-	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Nikita Goyal
Contact no: +91-79-4026 5670
Email ID- nikita.goyal@careratings.com

Relationship Contact
Mr. Deepak Prajapati
Contact no. : +91-79-4026 5656
Email ID: deepak.prajapati@careratings.com

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Progressive Cars Private Limited
May 05, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Long Term Bank Facilities	14.47	**CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; ISSUER NOT COOPERATING)**	Revised from CARE B+; Stable(Single B Plus; Outlook: Stable) Issuer not cooperating; on the basis of best available information
Total Facilities	**14.47 (Rupees Fourteen Crore and Forty Seven Lakh only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers
CARE had, vide its press release dated March 28, 2019 placed the ratings of Progressive Cars Private Limited (PCPL) under the 'issuer non-cooperating' category as PCPL had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. PCPL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 08, 2020, April 13, 2020 and April 15, 2020. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The ratings on PCPL's bank facilities will now be denoted as **CARE B; Stable; ISSUER NOT COOPERATING**.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.
The rating revision in rating takes into account its deterioration in capital structure and debt coverage indicators in FY19 (FY; refers to the period April 1 to March 31). The ratings, further continues to remain constrained owing to thin profit margins along with competition faced by PCPL from other Original Equipment Manufacturers (OEMs) and limited bargaining power with principal manufacturer in a highly competitive industry.
The rating, however, continues to derive comfort from moderate scale of operations, experienced promoters with established track record of its operations and PCPL being an authorized dealer of a reputed OEM.

Detailed description of the key rating drivers
At the time of last rating done on March 28, 2019 the following were the rating weaknesses (updated for publically available information).

Key Rating Weaknesses
Thin profit margins with deterioration in capital structure and debt coverage indicators
During FY19, PBILDT margins of PCPL remained low at 4.13% (3.14% during FY18), while PAT margin remained thin at 0.06% in FY19 (0.11% in FY18). Capital structure of PCPL deteriorated and remained leveraged marked by an overall gearing ratio of 5.26 times as on March 31, 2019 as against 2.88 times as on March 31, 2018, led by an increase in total debt level. Debt coverage indicators of PCPL also continued to remain weak as marked by total debt to gross cash accruals (TDGCA) of 63.46 years as on March 31, 2019 (31.58 years as on March 31, 2018), while interest coverage ratio remained low at 1.13 times during FY19.
Competition from other OEMs and limited bargaining power with principal manufacturer in a highly competitive industry
Indian auto dealership business is highly fragmented and competitive with presence of large number of auto dealers catering to different brands. Entry of global players in the Indian market has further intensified competition. PCPL is an authorized dealer of TATA Motors Limited (TML) and TVS Motor Company Ltd (TMCL), wherein it has very low bargaining power over the principal manufacturer. The margin on products is pre-decided at a particular level by the principal manufacturer and thereby restricting the company to earn incremental income.

Key Rating Strengths
Moderate scale of operations
The scale of operation of PCPL remained moderate during FY19 marked by total operating income (TOI) of Rs. 79.88 crore as against Rs.71.67 crore in FY18.

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer did not co-operate; based on best available information*

Experienced promoters with established track record of operations
PCPL is promoted by Mr. Hiralal Gupta who is having more than a decade of experience through PCPL in automobiles dealership business and more than three decades of experience in transportation business, whereas Mr. Avinash H. Gupta's decade long experience in automobiles dealership business is through his association with PCPL itself. PCPL is operating in automobiles dealership business since 1999, having an established track record of operations of 16 years. Its association with TML has been of more than decade and around 5 years of association with TMCL.
Authorized dealer of a reputed OEM
PCPL is an authorized dealer of TML and TMCL, having an established presence in India. Being the dealer of reputed and growing OEM's, PCPL has opportunity to grow its operations and turnover.

Analytical approach: Standalone

Applicable Criteria
[Policy in respect of Non-cooperation by issuer]
[CARE's default recognition policy]
[Criteria on assigning Outlook to Credit Rating]
[Rating Methodology- Wholesale Trading]
[Financial ratios - Non Financial Sector]

About the Company
Ahmedabad-based (Gujarat), PCPL was incorporated as a private limited company in November 1999 as an authorized dealer and an authorized service centre for Fiat Cars. PCPL closed down its Fiat cars dealership in 2003 and became an authorized dealer and an authorized service centre for passenger cars manufactured by TATA Motors Limited (TML, rated CARE AA-; Negative/CARE A1+) and opened its first showroom and workshop in Anand, PCPL opened its second TATA Motors cars showroom in Nadiad in the year 2007. In 2012 PCPL became an authorized dealer and an authorized service centre for two wheelers manufactured by TVS Motor Company Ltd. (TMCL, rated CARE AA+; Stable/CARE A1+) and opened its first two wheelers showroom in Anand. In 2017 PCPL opened its third TATA Motors cars showroom in Ahmedabad. Mr Hiralal Gupta and Mr Avinash Gupta are actively looking after the entire operations of the company. Apart from having more than decade and a half of experience in automobiles dealership business Mr Hiralal Gupta also has more than 3 decades of experience in transportation business.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	71.67	79.88
PBILDT	2.25	3.30
PAT	0.08	0.05
Overall gearing (times)	2.88	5.26
Interest coverage (times)	1.22	1.13

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	February, 2023	0.87	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT-Cash Credit	-	-	-	13.60	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information

*Issuer did not co-operated; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	0.87	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (28-Mar-19)	1)CARE B+; Stable (26-Mar-18) 2)CARE B+; Stable (20-Apr-17)
2.	Fund-based - LT-Cash Credit	LT	13.60	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (28-Mar-19)	1)CARE B+; Stable (26-Mar-18) 2)CARE B+; Stable (20-Apr-17)

*Issuer did not co-operated; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Name: Mr. Mradul Mishra
Contact no.: +91-22-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact
Name: Ms. Shreeda Shah
Contact no.: 079-40265636
Email ID: shreeda.shah@careratings.com

Relationship Contact
Name: Mr. Deepak Prajapati
Contact no.: 079-40265656
Email ID: deepak.prajapati@careratings.com

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Sathwik Exports
May 05, 2020

Rating

Facilities	**Amount (Rs. crore)**	**Ratings[8]**	**Rating Action**
Long -term Bank Facilities	5.50	CARE C; ISSUER NOT COOPERATING* (Single C; Issuer Not Cooperating*)	Revised from CARE B; Issuer Not Cooperating (Single B); Based on best available information*
Total Facilities	**5.50 (Rupees Five Crore and Fifty Lakh Only)**		

Details of instruments/facilities in Annexure

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 26, 2019, placed the rating(s) of Sathwik Exports (SE) under the 'issuer not cooperating' category as SE had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SE continues to be non-cooperative despite repeated requests for submission of information through e-mails dated April 07, 2020 to April 17, 2020 and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating assigned to the bank facilities of SE have been revised on account of non-availability of requisite information. The ratings, further, continues to remain constrained on account of small scale of operations, low profitability margins and weak debt coverage indicators, working capital intensive nature of operations, highly fragmented industry with intense competition from large number of players and constitution of entity as a partnership firm with inherent risk of withdrawal of capital.

The ratings, however, continue to derive strength from the long track record with experienced partners, comfortable capital structure and stable outlook for agriculture (agro product) industry

Detailed description of the key rating drivers

At the time of last rating on March 26, 2019 the following were the rating strengths and weaknesses:

Key Rating Weakness

Small scale of operations with decline in total operating income

Despite the firm has track record more than one decade, the total operating income of the firm remained small at Rs.28.86 crore in FY17 with low net worth base of Rs.4.88 crore as on March 31, 2017 as compared to other peers in the industry. Furthermore, the total operating income of the firm has declined from Rs.48.43 crore in FY15 to Rs.28.86 crore in FY17 on account of unavailability of sufficient orders from its customers.

Low profitability margins and weak debt coverage indicators

The profitability margins of the firm have been fluctuating during the review period. The PBILDT margin of the firm has been fluctuating in the range of 4%-5% due to fluctuations in the material prices and increase in employee costs. The PAT margin of the firm has also seen fluctuating in the range of 1.50%-1% due to fluctuation in the operating profit and financial expenses and depreciation provisions.

The debt coverage indicators of the firm have been deteriorating and remained at weak level during the review period. The total debt/GCA has been deteriorating year-on-year from 6.33x in FY15 to 9.80x in FY17 due to decrease in gross cash accruals. Furthermore, the PBILDT interest coverage ratio, also seen declining from 3.00x in FY15 to 2.02x in FY17 due to decrease in operating profit.

Working capital intensive nature of operations

The operating cycle of the firm is working capital intensive nature of business since the firm is engaged in the manufacturing of desiccated coconut powder. The operating cycle of the firm has been increasing from 55 days in FY15 to 117 days in FY17 due to increase in the inventory period from 48 days in FY15 to 116 days in FY17. The firm avails the credit period from the farmers up to 15 to 20 days and receives the payment from its customers within 20 days. The firm holds sufficient inventory level of up to 60 days to meet customer demand on time.

The utilization of cash credit limit in the last 12 months ended with March 23, 2018 remained 90 per cent.

Highly fragmented industry with intense competition from large number of players

The firm is engaged in the manufacturing of desiccated coconut powder which is highly fragmented industry due to presence of large number of organized and unorganized players in the industry and faces huge competition.

Constitution of entity as a partnership firm with inherent risk of withdrawal of capital

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer not cooperating; Based on best available information*

With the entity being partnership firm, there is an inherent risk of instances of capital withdrawals by partners resulting in lesser of entity's net worth. Furthermore, the partnership firms are attributed to limited access to funding. Furthermore, there is some withdrawal in the partner's capital during FY17 Rs.0.52 crore for personal use.

Key Rating Strengths

Long track record and experienced partners

SE was established in 2003 by Mr. Janardhana Nayak and his family members. Mr. Janardhana Nayak is a B.Com graduate. He is the managing partner of the firm who takes care of day to day operations. All the partners have more than one decade of experience in the manufacturing of desiccated coconut powder since inception of the business. The firm has established good relationship with suppliers and customers due to presence in the business for a longer period of time.

Satisfactory capital structure

The capital structure of the firm marked by overall gearing ratio remained satisfactory at 1.10x as on March 31, 2017 due to satisfactory net worth commensurate with the size of operations and y-o-y accretion of profit to the net worth along with low debt levels. The debt profile of the firm as on March 31, 2017 includes vehicle loans (11%), working capital bank borrowings (84%) and unsecured loans (5%) to meet working capital requirement.

Stable outlook for agriculture (agro product) industry

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. As per the 2nd advised estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is estimated to be 17.3 per cent of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices.

India is expected to achieve the ambitious goal of doubling farm income by 2022 i.e. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US$ 3,420.21) by 2022-23 from Rs 96,703 (US$ 1,505.27) in 2015-16.

Analytical Approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
Rating Methodology – Manufacturing Companies

About the Firm

Karnataka based, Sathwik Exports (SE) was established in 2003 as a partnership firm by Mr. Janardhana Nayak and his family members. SE is engaged in the manufacturing of Desiccated Coconut Powder. The firm purchases Coconut from the farmers located in and around Karnataka. The firm sells its final products to the customers located in Madhya Pradesh, Uttar Pradesh, Delhi and Gujarat. The current installed capacity for the manufacturing of Desiccated Coconut Powder is 80,000 units per month. The firm generates 85 per cent of the revenue by manufacturing and export of Desiccated Coconut Powder and the remaining 15 per cent of the revenue by selling its by products such as Coconut Chips, Husks and Coconut Shells respectively.

Brief Financials (Rs. crore)	FY16(A)	FY17 (A)
Total operating income	33.01	28.86
PBILDT	1.70	1.36
PAT	0.44	0.28
Overall gearing (times)	1.19	1.09
Interest coverage (times)	2.28	2.02

A-Audited;

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	5.50	CARE C; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; ISSUER NOT COOPERATING* on the basis of best available information

*Issuer not cooperating; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	5.50	CARE C; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B; ISSUER NOT COOPERATING* (26-Mar-19) 2)CARE B+; Stable (20-Apr-18)	-

*Issuer not cooperating; Based on best available information

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Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Group Head Name – Ms. Kalpana Chaudhary
Group Head Contact no.- 080- 4662 5555
Group Head Email ID- kalpana.choudhary.ghayal@careratings.com

Business Development Contact
Name: Mr. Nitin Dalmia
Contact no.: 080 – 4662 5555
Email ID: nitin.dalmia@careratings.com

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Shree Krishnanand Infrastructure and Developers Private Limited

May 05, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings[9]	Rating action
Long-term Bank Facilities	1.00	**CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)**	Issuer not cooperating; based on best available information
Short-term Bank Facilities	8.00	**CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)**	Issuer not cooperating; based on best available information
Total	**9.00 (Rupees Nine crore only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 14, 2019 placed the ratings of Shree Krishnanand Infrastructure and Developers Private Limited (SKIDPL) under the 'issuer non-cooperating' category as SKIDPL had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. SKIDPL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 08, 2020, April 13, 2020, April 15, 2020 and April 20, 2020. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The ratings on SKIDPL's bank facilities will now be denoted as **CARE D/ CARE D; ISSUER NOT COOPERATING**.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers

At the time of last rating done on February 14, 2019 the following were the rating weaknesses:

Detailed description of key rating drivers

Key Rating Weaknesses

Ongoing delay in debt servicing

SKIDPL was irregular in servicing its debt obligation and there were on-going delays in debt servicing due to weak liquidity position of the company.

Analytical approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
CARE's default recognition policy
Criteria on assigning Outlook to Credit Rating
Rating Methodology - Construction
Financial ratios - Non Financial Sector
Criteria for Short Term Instruments

About the Company

Vapi-based (Gujarat), SKIDPL was incorporated in 2011, by Mr Anand Tripathi and Mr Kapil Tiwari. SKIDPL belongs to Shree Krishnanand Group which comprises of various other entities. SKIDPL is engaged into the business of undertaking turnkey projects involving civil works, erection, commissioning and electrical works of industrial buildings. SKIDPL also undertake projects from Government of Gujarat. SKIDPL is executing the contract works for public and private companies.

Brief Financials (Rs. crore)	FY14 (A)	FY15 (A)
Total operating income	33.78	33.54
PBILDT	1.48	2.61
PAT	1.07	1.46
Overall gearing (times)	0.18	0.12
Interest coverage (times)	7.81	26.94

A: Audited

9 *Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*

**Issuer did not co-operate; Based on best available information*

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	March, 2020	1.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - ST-Bank Overdraft	-	-	-	7.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	1.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not co-operate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	1.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19)	1)CARE D; ISSUER NOT COOPERATING* (18-Dec-17) 2)CARE B+; ISSUER NOT COOPERATING* (17-Apr-17)
2.	Fund-based - ST-Bank Overdraft	ST	7.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19)	1)CARE D; ISSUER NOT COOPERATING* (18-Dec-17) 2)CARE A4; ISSUER NOT COOPERATING* (17-Apr-17)
3.	Non-fund-based - ST-Bank Guarantees	ST	1.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19)	1)CARE D; ISSUER NOT COOPERATING* (18-Dec-17) 2)CARE A4; ISSUER NOT COOPERATING* (17-Apr-17)

*Issuer did not co-operate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Name: Mr. Mradul Mishra
Contact no.: +91-22-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact
Name: Ms. Shreeda Shah
Contact no.: 079-40265636
Email ID: shreeda.shah@careratings.com

Relationship Contact
Name: Mr. Deepak Prajapati
Contact no.: 079-40265656
Email ID: deepak.prajapati@careratings.com

About CARE Ratings:
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Raju Chacko
May 05, 2020

Rating

Facilities	**Amount (Rs. crore)**	**Ratings[10]**	**Rating Action**
Long -term Bank Facilities	22.10	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; Issuer Not Cooperating*)	Revised from CARE B+; Stable; Issuer not cooperating (Single B Plus; Outlook: Stable); Based on best available information
Short-term Bank Facilities	2.90	CARE A4; ISSUER NOT COOPERATING* (A Four; Issuer Not Cooperating*)	Issuer not cooperating; Based on best available information
Total Facilities	**25.00 (Rupees Twenty-Five Crore Only)**		

Details of instruments/facilities in Annexure

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 22, 2019, placed the rating(s) of Raju Chacko (RC) under the 'issuer not cooperating' category as RC had failed to provide information for monitoring of the rating as agreed to in its rating agreement. RC continues to be non-cooperative despite repeated requests for submission of information through e-mails dated April 07, 2020 to April 17, 2020 and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating assigned to the bank facilities of RC have been revised on account of non-availability of requisite information. The ratings, further, continues to remain constrained on account of small scale of operations, working capital intensive on account of elongated average inventory holding days, weak debt coverage indicators, profitability margins are susceptible to fluctuation in raw material prices, constitution of the entity as proprietorship firm with inherent risk of withdrawal of capital, customer and geographic concentration risk and highly fragmented and competitive civil construction industry

The ratings, however, continue to derive strength from the long track record with experienced promoter for three decades in construction industry, satisfactory profitability margins albeit declining PAT margin during the review period, comfortable capital structure, medium to long-term revenue visibility from order book position and stable outlook of construction industry

Detailed description of the key rating drivers

At the time of last rating on March 22, 2019 the following were the rating strengths and weaknesses:

Key Rating Weaknesses

Small scale of operations along with fluctuating total operating income

Despite of long track record, the scale of operations of the firm is small marked by total operating income (TOI) of Rs.13.62 crore in FY17. Furthermore, the total operating income of the firm is seen fluctuating during the review period. The revenue decreased from Rs.11.03 crore in FY15 to Rs.8.00 crore in FY16 due to lesser projects executed by the firm. However, in FY17, the total operating income increased to Rs.13.62 crore owing to more number of projects procured by the firm. Furthermore, in 11MFY18, the firm has achieved total operating income of Rs.30.92 crore. Apart, the net-worth of the company is small at Rs.7.80 crore as on March 31, 2017 as compared to other peers in the industry.

Working capital intensive on account of elongated average inventory holding days

The firm is operating in a working capital intensive industry on account of stretched inventory holding days. The firm receives the payment from its customers within 15-30 days from the date of bill raised. Furthermore, the average creditor's period stood at 1 day in FY17, as the firm makes payment to its creditors within a week. The firm maintains average inventory of

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer not cooperating; Based on best available information*

around three months to execute the current projects in timely manner. However, due to certain delays in executing the project, the outstanding balance of work in progress remained high as on account closing date resulting in high inventory days which stood at 473 days in FY17 when compared to 856 days in FY16. Owing to the aforementioned reasons, the operating cycle of the firm elongated to 484 days in FY17 compared to 872 days in FY16.
To meet the above working capital gap, the company has to depend on working capital facility. The average utilization of the cash credit facility was 80% for the last 12 month ended February 28, 2018.

Weak debt coverage indicators
The debt coverage indicators of the firm remained weak during review period. Total debt/GCA deteriorated from 5.94x in FY15 to 12.34x in FY16 due to increase in total debt levels and decrease in gross cash accruals. However, TD/GCA improved to 8.70x in FY17 on account of decrease in total debt levels as a result of repayment of term loan obligations coupled with marginal increase in gross cash accruals.
Furthermore, the PBILDT interest coverage ratio decreased from 2.20x in FY15 to 1.92x in FY16 due to increase in interest cost. However, in FY17, ICR improved to 2.05x in FY17 due to increase in PBILDT levels in absolute terms and stood satisfactory.

Profitability margins are susceptible to fluctuation in raw material prices
The basic input materials for execution of contracts are steel, bitumen and cement, the prices of which are highly volatile. Moreover, the firm does not have any long term contracts with its suppliers for purchase of aforesaid raw materials. Hence, the operating margin of the firm is exposed to any sudden spurt in the input material prices along with increase in labour prices being in labour intensive industry. Furthermore, the firm does not have price variation clause in work agreements which would impact the profitability of the firm.

Constitution of the entity as proprietorship firm with inherent risk of withdrawal of capital
Constitution as a proprietorship has the inherent risk of possibility of withdrawal of the capital at the time of personal contingency which can adversely affect its capital structure. Furthermore, proprietorships have restricted access to external borrowings as credit worthiness of the proprietor would be key factor affecting credit decision for the lenders.

Customer and geographic concentration risk
The firm is a contractor for various departments of state government of Kerala. RC participates in tenders for receiving work orders from departments of government of Kerala such as Kerala Public Works Department (PWD), Kerala State Transport Project Department, Road Fund Board, Kerala State Construction Corporation etc.The geographic presence of these customers are restricted to various districts of Kerala which reflect high geographical concentration risk along with customer concentration risk.

Highly fragmented and competitive civil construction industry
Raju Chacko is operating in highly competitive and fragmented industry. The firm witnesses intense competition from both the organized and largely unorganized players as the projects are tender-based and the revenues are dependent on the firm's ability to bid successfully for these tenders. This fragmented and highly competitive industry results into price competition thereby affecting the profitability margins of the companies operating in the industry.

Key Rating Strengths
Long track record with experienced promoter for three decades in construction industry
Raju Chacko is a proprietorship firm started by Mr. Raju Chacko in the year 1988. Mr. Raju Chacko is a civil engineer with rich experience in this field whereas the proprietor looks after day to day activities of the firm. Due to long track record in the construction industry, the promoter has established relations with its customers which has benefitted in terms of bagging new orders in competitive environment.

Satisfactory profitability margins albeit declining PAT margin during the review period
The firm has satisfactory profitability margins due to better margin associated with projects under execution. However, the PBILDT margin of the firm has been fluctuating in the range 21%-32% during the review period FY15-17 due to the fluctuation in raw material prices. resulted in fluctuations in PBILDT margins. Furthermore, PAT margin is also seen declining from 6.27%

in FY15 to 5.07% in FY17 due to increasing finance expenses on account of moderate utilization of working capital utilization and availment of fresh term loan in FY15-16.

Comfortable capital structure
The capital structure of the firm remained comfortable during the review period. Debt equity ratio of the firm remained below unity for the last three balance sheet date ended March 31, 2017 on account of increase in tangible net worth due to year-on-year accretion of profits to net worth along with moderate term loans (mainly pertaining to machinery loan) in the books of firm. However, overall gearing ratio of the firm deteriorated from 1.05x as on March 31, 2015 to 1.73x as on March 31, 2016 due to increase in debt levels on account of availment of fresh term loan in FY15-16. Further, overall gearing ratio improved to 1.52x as on March 31, 2017 as a result of structured repayment of term loan obligations.

Medium to long-term revenue visibility from order book position
The firm has a healthy order book of Rs. 65.10 crore as on February 28, 2018 which translates to 4.78x of total operating income of FY17. The said order book provides revenue visibility for medium to long- term period.

Stable outlook of construction industry
The construction industry contributes around 8% to India's Gross domestic product (GDP). Growth in infrastructure is critical for the development of the economy and hence, the construction sector assumes an important role. The Government of India has undertaken several steps for boosting the infrastructure development and revives the investment cycle. The same has gradually resulted in increased order inflow and movement of passive orders in existing order book. The focus of the government on infrastructure development is expected to translate into huge business potential for the construction industry in the long-run. In the short to medium term (1-3 years), projects from transportation and urban development sector are expected to dominate the overall business for construction companies.

Analytical Approach: Standalone

Applicable criteria:
Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook to Credit ratings
CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
Criteria for Short Term Instruments
Rating Methodology – Construction Sector

About the firm
Raju Chacko (RC) was established in the year 1988 as a proprietorship firm. The firm is a civil contractor and has its registered office located at Muvattupuzha, Kerala. RC is engaged in civil construction of road works, buildings and railway works in the state of Kerala. The clientele of the firm include Kerala Public Works Department (PWD), Kerala State Transport Project Department, Road Fund Board, Kerala State Construction Corporation etc. The firm purchases inputs required for civil construction (like cement, steel, etc.) from local suppliers in and around Kerala.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	8.00	13.62
PBILDT	2.56	3.43
PAT	0.46	0.69
Overall gearing (times)	1.73	1.52
Interest coverage (times)	1.92	2.05

A: Audited

Status of non-cooperation with previous CRA: Not Applicable
Any other information: Not Applicable
Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	22.10	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	2.90	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer not cooperating; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	22.10	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (22-Mar-19) 2)CARE B+; Stable (25-Apr-18)	-
2.	Non-fund-based - ST-Bank Guarantees	ST	2.90	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE A4; ISSUER NOT COOPERATING* (22-Mar-19) 2)CARE A4 (25-Apr-18)	-

*Issuer not cooperating; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Group Head Name – Ms. Kalpana Chaudhary
Group Head Contact no.- 080- 4662 5555
Group Head Email ID- kalpana.choudhary.ghayal@careratings.com

Business Development Contact
Name: Mr. Nitin Dalmia
Contact no.: 080 – 4662 5555
Email ID: nitin.dalmia@careratings.com

About CARE Ratings:
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EZA Gold and Diamonds
May 05, 2020

Rating

Facilities	**Amount (Rs. crore)**	**Ratings[11]**	**Rating Action**
Long -term Bank Facilities	6.00	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; Issuer Not Cooperating)	Issuer not cooperating; Based on best available information
Short-term Bank Facilities	7.50	CARE A4; ISSUER NOT COOPERATING* (A Four; Issuer Not Cooperating)	Issuer not cooperating; Based on best available information
Total Facilities	**13.50 (Thirteen Crore and Fifty Lakh Only)**		

Details of instruments/facilities in Annexure

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 14, 2019, placed the rating(s) of EZA Gold and Diamonds (EGD) under the 'issuer not cooperating' category as EGD had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. EGD continues to be non-cooperative despite repeated requests for submission of information through e-mails dated April 07, 2020 to April 17, 2020, and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

At the time of last rating on February 14, 2019 the following were the rating strengths and weaknesses:

Key Rating Weakness

Small scale of operations with weak overall gearing and debt coverage indicators

The firm's networth stood negative on account of the losses incurred during the past financial years. The partners have infused capital to the extent of Rs.0.56 lakh during FY17 in order to improve the scale of operations. Due to the negative networth, the overall gearing also stood negative. The interest coverage ratio stood weak at 1.06x as of March 31, 2017, improved slightly from 0.09x as on March 31, 2016 due to decline in interest costs on the back of repayment of loans. Due to low cash accruals at Rs.0.03 crore as of FY17, the total debt/GCA stood very high at 213.98x as of March 31, 2017.

Thin profitability margins albeit marginal improvement

The PBILDT improved from 5.62% in FY16 to 6.72% in FY17 due to higher realisation on gold jewellery led by the firm's ability to pass on the wastage and making charges to its customers. On account of the profit reported by the firm, the PAT margin stood positive at 0.06% during FY17 against a negative margin during FY16.

Highly fragmented and competitive business segment due to presence of numerous players

The firm is engaged into a fragmented business segment and competitive industry. The market consists of several small to medium-sized firms that compete with each other along with several large enterprises. There are several small sized firms and well established firms in and around Kerala which compete with EZA. Established brands are guiding the organised market.

Constitution of a partnership concern with risk of withdrawal of capital

The firm was established as a partnership concern and the risk of withdrawal of partner's capital prevails. There is parity between the existence of the firm and the life of the partners.

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications *Issuer not cooperating; Based on best available information*

Falling demand for gold in the Indian scenario

The Indian demand for gold has been falling for a number of reasons like, government's regulation to disclose identity on purchase of gold above a specified limit which enabled curbing the conversion of black money into white, stabilising of GDP prospects and the lowering of inflation levels along with the dramatic returns stock markets were offering, there has been a significant fall in investment in physical assets like gold and land which are losing value, and a shift towards financial assets like mutual funds etc. In the case of household demand for gold, a rough barometer for those buying gold as an investment was 31% of demand in the March quarter of 2012; this fell to 21% in the September quarter of 2017.

Key Rating Strengths

Vast experience of the partners in retailing ornaments

Mr. P.K. Antony, partner of the firm has about two decades of experience in retailing gold ornaments. Ms. Jency Jacob and Mr. Ragi Antony, the Managing partners have about a decade of experience in retailing gold ornaments.

Growth in total operating income

The firm's total operating income grew by over 12 times from Rs.1.59 crore during FY16 to Rs.19.43 crore during FY17. The firm availed fund-based and non-fund based facilities from financial institutions to support the purchase of gold, diamond and platinum, at a larger scale which lead to increase in ornaments retailed.

Improved operating cycle days

EZA purchases gold as bullion from a Bank and diamonds and platinum from local suppliers in Kerala. On purchase, the firm avails credit upto 100 days. The firm's inventory period depends on the demand for gold in the economy and the preferences of the customers. Also due to first year of operations, the inventory period stood very high during FY16 at 1782 days, however improved to 191 days due to establishment of the firm in the market along with better sales. EZA sells the ornament on cash and carry basis. Due to better inventory period and creditor days, the operating cycle also stood improved at 86 days in FY17 as compared to 1407 days in FY16. The average utilization level of working capital facility stood at 100% for the year ended November 30, 2017.

Analytical Approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook to Credit Ratings
CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
Criteria for Short Term Instruments
Rating Methodology – Wholesale Trading

About the Company

EZA Gold and Diamonds (EZA) was established as a partnership concern by Ms.Jency Jacob, Mr.Ragi Antony, Mr. P.K. Antony and Ms. Mary Antony with equal profit sharing ratio in 2014. The firm is engaged in retailing of gold, diamond and platinum jewellery. The metals and stone are processed into ornaments by smiths in Kerala on job work basis. The ornaments are then retailed through their outlet in Thrissur, Kerala. EZA deals with gold purity of 22 Karat.

Brief Financials (Rs. crore)	FY16(A)	FY17 (A)
Total operating income	1.59	19.43
PBILDT	0.09	1.31
PAT	-0.93	0.05
Overall gearing (times)	NM	NM
Interest coverage (times)	0.09	1.06

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	6.00	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	7.50	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer not cooperating; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	6.00	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (14-Feb-19)	1)CARE B; Stable (04-Jan-18)
2.	Non-fund-based - ST-Bank Guarantees	ST	7.50	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE A4; ISSUER NOT COOPERATING* (14-Feb-19)	1)CARE A4 (04-Jan-18)

*Issuer not cooperating; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Group Head Name – Ms Nivedita Ghayal
Group Head Contact no.- 040- 4010 2030
Group Head Email ID- nivedita.ghayal@careratings.com

Business Development Contact
Name: Mr. Nitin Dalmia
Contact no.: 080 – 4662 5555
Email ID: nitin.dalmia@careratings.com

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Anjaneya Cotton Traders
May 05, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings[1,2]	Rating Action
Long-term Bank Facilities	5.75	CARE D; ISSUER NOT COOPERATING* (Single D; Issuer not cooperating)	Issuer not cooperating: Revised from CARE B; Stable (Single B; Outlook: Stable) on the basis of best available Information*
Total facilities	**5.75 (Rupees Five Crore and seventy five lakhs Only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 13, 2019, placed the rating(s) of Anjaneya Cotton Traders (ACT) under the 'issuer non-cooperating' category as ACT had failed to provide information for monitoring of the rating. ACT continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an e-mail communications/letters dated from October 2019 to April, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

The rating has been revised on account of delays in debt servicing

Key Rating Weaknesses

Delays in Debt Servicing

ACT has been facing liquidity issues due to which the firm is unable to service the debt obligation. The banker has confirmed that the account has been classified as NPA.

Constitution of the entity as a proprietorship with inherent risk of withdrawal of capital

The firm being a proprietorship firm is exposed to inherent risk of capital withdrawal by the proprietor, due to its nature of constitution. Further, any substantial withdrawals from capital account would impact the net worth and thereby the financial profile of the firm.

Key Rating Strengths

Experienced promoters

ACT is a proprietary concern started by Mr Challa Viswanadh Bhargava Reddy. Mr Bhargava Reddy is engineering graduate and working with a leading IT company. Since Mr Bhargava Reddy is employed, he has executed registered General Power of Attorney (GPA) in favor of his father; Mr Challa Siva Venkata Reddy who is looking after the day-to-day affairs of the firm.

Analytical Approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
CARE's Policy on Default Recognition
Financial ratios –Non-Financial Sector
CARE's Rating Methodology- Manufacturing Companies

About the Firm

Anjaneya Cotton Traders (ACT) is a propriety concern started by Mr Challa Vishwanadha Bhargava Reddy in 2007. Day to day activities of the firm is looked after by his father Mr Siva Venkata Reddy. The firm is engaged in manufacturing and processing

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

of Kappas into cotton lint. The firm has 14 double roller cotton ginning machine and baling press located at Guntur district of Andhra Pradesh.
The firm acquires cotton directly from the farmers and after ginning, sells the same in the domestic market.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	34.50	30.75
PBILDT	1.29	1.33
PAT	0.19	0.17
Overall gearing (times)	2.69	2.46
Interest coverage (times)	1.61	1.52

A: Audited

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	5.75	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; Stable; ISSUER NOT COOPERATING* on the basis of best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	5.75	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (13-Mar-19) 2)CARE B+; Stable (04-Apr-18)	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Nivedita Ghayal
Contact no: 040-40102030
Email: nivedita.ghayal@careratings.com

Business Development Contact
Name: Ravi Babu
Contact no. : 9989998695
Email ID: ravi.babu@careratings.com

About CARE Ratings:
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India Cartons
May 05, 2020

Ratings

Facilities	**Amount (Rs. crore)**	**Ratings[13]**	**Rating Action**
Long –term Bank Facilities	10.00	**CARE B-; Stable; ISSUER NOT COOPERATING*** (Single B Minus; Outlook:Stable; Issuer not cooperating*)	Issuer not cooperating; Revised from CARE BB-; Stable; (Double B; Minus; Outlook:Stable); Issuer not cooperating on the basis of best available information
Total Facilities	**10.00 (Rupees Ten Crore only)**		

Details of instruments/facilities in Annexure

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 27, 2019, placed the rating(s) of India Cartons (IC) under the 'Issuer non-cooperating' category as IC had failed to provide information for monitoring of the rating. IC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated April 21, 2020 and April 23, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating has been revised by taking into account of non-availability of requisite information due to non-cooperation by India Cartons with CARE's efforts to undertake a review of the outstanding rating as CARE views information availability risk as a key factor in its assessment of credit risk.

Detailed description of the key rating drivers

At the time of last rating on February 27, 2019 the following were the rating strengths and weaknesses:

Key Rating Weakness

Small size of operations along with thin profitability margins

The firm has small size of operations marked by a low net worth base of Rs.5.65 crore as of March 31, 2017 (prov.), with marginal increase from Rs.5.05 crore as of March 31, 2016 on the bank of accretion of profits generated through better sales. The PBILDT margin remained unchanged at 2.76% during FY17 (Prov.) despite the increase in operating income, mainly due to higher material costs associated with better sales. Since the firm is in its nascent stage of manufacturing rigid variety boxes, improvement in this segment will further improve the margins to a large extent. The firm's PAT margin also improved in line with the PBILDT margin from 0.52% in FY16 to 0.64% in FY17 (Prov.) due to increase in profits earned in absolute terms.

Highly fragmented and competitive business segment due to presence of several players

The firm is engaged into a fragmented business segment and competitive industry. The market consists of several small to medium-sized firms that compete with each other along with several large enterprises. There are several small sized firms in and around Ambur area in Tamil Nadu, which compete with IC.

Constitution of a partnership concern with risk of withdrawal of capital

The firm was established as a partnership concern and the risk of withdrawal of partner's capital prevails. There is parity between the existence of the firm and the life of the partners.

Performance of India Cartons linked to fortunes of the Indian footwear industry

The boxes manufactured by IC are sold 100% to the footwear companies. Thus the orders are placed based on the manufacturing capabilities of the companies associated with IC. The peak season of sale is during the months of August to February, during which the sale of footwear is at its peak on account of festive occasions.

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer did not cooperate; based on best available information*

Working capital intensive nature of business coupled with moderate operating cycle days
The firm is engaged in a working capital intensive nature of business segment. The firm purchases printing ink, duplex boards based on the thickness specifications for the corrugated carton boxes and carton boxes from local suppliers and duplex boards for rigid boxes from China through dealers. The raw material is cut, printed, laminated, varnished, punched and packed before storing the corrugated cartons as flat boards, whereas the rigid boards are cut, printed, and the boxes are put together in hand before storing them as finished goods. Each process takes one day's time when processed in batches and due to elongated process the average inventory days stood 49 days as of FY17 (Prov.). On sales the firm gives credit to its customers from 50 to 120 days based on the size of the order and on purchases, cash payments are made in order avail discount and at a few instances avails credit upto 20 days. The operating cycle days stood moderate at 71 days. The working capital utilization levels stood at 100 % for the past one year ended November 30, 2017.

Key Rating Strengths

Four decade long experience of the promoter in jewellery business
IC is owned by Mr. C. Madanraj and his son, Mr. M. Naresh Kumar. Mr. M. Arun Kumar, son of Mr. C. Madanraj is the manager of the concern. The forefathers of Mr. C. Madanraj moved from Rajasthan to Ambur, Tamil Nadu and established a pawn brokerage concern about a century ago. Later, this concern was taken over by the heirs of the family and at present the family has two running pawn broking and jewellery retailing outlets namely, Naresh Kumar Jewellers and Champalal Jewellers in Ambur, Tamil Nadu. Also, the partners are engaged in real estate business segment for the past 10 years. The partners ventured into the shoe box manufacturing segment in 2010.

Diversified product portfolio with adequate manufacturing facilities
The firm has a manufacturing facility measuring 4.30 acres located in Ambur, Tamil Nadu. There are 103 employees working in the manufacturing unit and 7 members working in the office. IC manufactures 3 varieties of shoe boxes, namely, corrugated carton box, carton box and rigid box. The firm has a cumulative installed capacity to manufacture 1,09,600 boxes per day and the utilization level stood at 30% per day.

Growth in total operating income
The total operating income (TOI) has been increasing year-on-year at a CAGR of 32.13% from Rs.21.42 crores in FY14 to Rs.49.41 crores in FY17 (Prov.). The TOI income more than doubled from Rs.28.37 crore in FY15 to Rs.48.24 crore in FY16 mainly on the back of addition of new variety to the range of boxes. The firm started to manufacture rigid box variety from FY16, which fetch a better price in the market. The firm has been receiving running orders from its customers and hence the TOI continued to remain stable during FY17 (Prov.)

Moderate capital structure and debt coverage indicators
The capital structure marked by overall gearing stood moderate at 1.11x as on March 31, 2017 (Prov.), improved from 1.24x as on March 31, 2016 on the back of increase in the networth associated with accumulation of profits earned. The firm has not availed any term loans till date. The firm manages its working capital requirements through the overdraft facility. The total debt/GCA improved marginally from 12.25x as of FY16 to 11.75x as of FY17 (Prov.) on the back of improved cash accruals associated with better revenue generation during the year. The interest coverage ratio improved marginally to 1.95x in FY17 (Prov.) as against 1.93x in FY16.

Relationship with established players in the market
The firm supplies shoe boxes to established players in the market. Prior to establishing IC, Mr. Arun Kumar, was into trading of footwear and accessories for around 15 years through his association with Misri Industries. Through this association, the firm was able to find a place in the market of shoe box makers. The clientele base of IC includes Tata International Limited (ICRA A1), Kora Shoes (CARE BB; Stable / A4), Sara Suole Private Limited (CRISIL BBB+; Positive/A4), Florance Shoes Private Limited, Radhika Shoecrafts Private Limited etc.

Analytical Approach: Standalone

Applicable Criteria
Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook and credit watch to Credit Ratings

[CARE's Policy on Default Recognition]
[Financial ratios – Non-Financial Sector]
[Rating Methodology-Manufacturing Sector]

About the Firm

India Cartons (IC) was established by Mr. C. Madanraj and his son, Mr. M. Naresh Kumar on April 08, 2010 as a partnership concern in Ambur, Tamil Nadu. The firm is engaged in manufacturing of packaging material for the footwear industry. The main products manufactured by IC include cartons, corrugated cartons and rigid boxes. The entity sells its finished products to customers located in Tamil Nadu, Karnataka and Indore. The major raw material being duplex boards are procured from suppliers in Tamil Nadu and China for finer quality. The manufacturing unit is also located in Ambur, Tamil Nadu and has an installed capacity of 1,09,600 boxes per day and the utilization level stood at 30% per day.

Brief Financials (Rs. crore)	FY16(A)	FY17 (Prov)
Total operating income	48.24	49.41
PBILDT	1.33	1.36
PAT	0.25	0.31
Overall gearing (times)	1.24	1.11
Interest coverage (times)	1.93	1.95

A: Audited; Prov.: Provisional

Status of non-cooperation with previous CRA: NA

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft	-	-	-	10.00	CARE B-; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB-; Stable; ISSUER NOT COOPERATING* on the basis of best available information

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Bank Overdraft	LT	10.00	CARE B-; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB-; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (27-Feb-19)	1)CARE BB-; Stable (09-Jan-18)

*Issuer did not cooperate; based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Group Head Name – Nivedita Ghayal
Group Head Contact no.- 040-69000500
Group Head Email ID - nivedita.ghayal@careratings.com

Business Development Contact
Name: Pradeep Kumar
Contact no. : 044-28501001
Email ID : pradeep.kumar@careratings.com

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Jaya Guru Saw Mill
May 05, 2020

Ratings

Facilities	**Amount (Rs. crore)**	**Ratings**[1]	**Rating Action**
Long –term Bank Facilities	1.00	**CARE B; Stable; ISSUER NOT COOPERATING*** (Single B; Outlook:Stable; Issuer not cooperating*)	Issuer not cooperating; Revised from CARE B+; Stable; (Single B Plus; Outlook:Stable); Issuer not cooperating on basis of best available information
Short-term Bank Facilities	7.00	**CARE A4; ISSUER NOT COOPERATING*** (A Four; Issuer not cooperating*)	Issuer not cooperating on basis of best available information
Total Facilities	**8.00 (Rupees Eight Crore only)**		

Details of instruments/facilities in Annexure

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 26, 2019, placed the rating(s) of Jaya Guru Saw Mill (JGSM) under the 'Issuer non-cooperating' category as JGSM had failed to provide information for monitoring of the rating. JGSM continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated April 21, 2020 and April 23, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating has been revised by taking into account of non-availability of requisite information due to non-cooperation by Jaya Guru Saw Mill with CARE's efforts to undertake a review of the outstanding rating as CARE views information availability risk as a key factor in its assessment of credit risk.

Detailed description of the key rating drivers

At the time of last rating on February 26, 2019 the following were the rating strengths and weaknesses:

Key Rating Weakness

Small scale of operations with fluctuating in total operating income

The scale of operations of the firm marked by the total operating income (TOI) has been declining and remained small during the review period. Total operating income improved from Rs. 7.17 crore in FY15 to Rs. 8.47 crore in FY16 due to increase in orders from existing customers. However it is declined to Rs. 7.49 crore due to depreciation in rupee value the firm has reduced its import purchases resulted in decrease in sales.

Fluctuating profitability margins during review period

The firm has fluctuating PBILDT margins during review period. The PBILDT margin of the firm deteriorated from 7.41% in FY15 to 6.95% in FY16 due to increase in cost of goods and other expenses (Fumigation charges, repairs and maintenance, etc.). However it is improved to 9.17% in FY17 due to decline in employee cost and other expenses. The PAT margin of the firm deteriorated from 3.25% in FY15 to 3.22% in FY16 due to increase in interest cost. However, though interest cost is increased in FY17 the PAT margin improved to 4.46% due to increase in PBILDT in absolute terms.

Working capital intensive nature of operations due to elongated creditor days

The firm is operating in working capital intensive nature of operations. The operating cycle of the firm stood at 48 days in FY17. The firm is required to keep inventory levels of around 3-4 months to meet customers' demand. Furthermore, the firm imports wood and teak in bulk from the suppliers located at international markets like Singapore, Dubai, etc. which also

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer did not cooperate; based on best available information*

results in high inventory levels. The firm receives payment from its customers' with 10-15 days. Furthermore, due to long term relationship with customer, the firm extends the credit period to its customers around 60 days. The firm had high creditor days due to high proportion of foreign letter of credit (FLC) backed creditors. The firm made its imports backed by LC (upto 180 days). The average utilization of working capital limit stood at 25 % for the last 12 month ended December 31, 2017.

Constitution of the entity as a partnership firm with inherent risk of withdrawal of capital

The firm being a proprietorship firm is exposed to inherent risk of capital withdrawal by the proprietor, due to its nature of constitution. Further, any substantial withdrawals from capital account would impact the networth and thereby the financial profile of the firm.

Highly fragmented industry with intense competition from large number of players

The firm is engaged in trading of wood which is highly fragmented industry due to presence of large number of organized and unorganized players in the industry the firm faces huge competition.

Key Rating Strengths

Long track record and experience of the proprietor for more than three decades in trading of wood industry

JGSM was established in 1990 and has been in the trading of wood and teak industry for three decades. The firm is managed by Mr. R. Jeyabal is qualified graduate and has three decades of experience in the trading of wood and teak industry. Due to long term presence in the market, the proprietor has developed good relations with suppliers and customers.

Comfortable capital structure and debt coverage indicators

The debt equity ratio of the firm has remained below unity for the last three balance sheet date ended March 31, 2017. The overall gearing ratio of the firm though deteriorated from 0.87x as on March 31, 2015 to 2.06x as on March 31, 2016, at the back of increased creditors backed by LC. Despite increase in total debt from Rs.0.09 Crore to Rs.2.04 Crore the overall gearing ratio improved to 0.86x as on March 31, 2017 on account of increase in tangible networth (due to funds infused by the proprietor to the extent of Rs.1.09 Crore)

Due to the aforementioned reason, the debt coverage indicators marked by total debt/ GCA of the firm deteriorated from 6.33x in FY15 to 9.22x in FY17. However, the PBILDT interest coverage ratio of the firm marginally deteriorated from 4.61x in FY15 to 4.00x in FY17 due to increase in interest cost.

Analytical Approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook and credit watch to Credit Ratings
CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
Rating Methodology-Wholesale Trading
CARE's Methodology for Short Term Instruments

About the Firm

Jaya Guru Saw Mill (JGSM) was established in 1990 as a proprietorship firm by Mr. R. Jeyabal (Proprietor).The firm is engaged in trading (wholesale and retail) of wood and teak products from past 30 years. The firm imports majority of the timber wood from the suppliers located in the international markets like Singapore, Dubai and France. The firm sells the products to customers located in Salem, Chennai, and Kerala.

Brief Financials (Rs. crore)	FY16 (A)	FY17(A)
Total operating income	8.48	7.49
PBILDT	0.59	0.69
PAT	0.27	0.33
Overall gearing (times)	2.06	0.86
Interest coverage (times)	4.11	4.00

*A: Audited

Status of non-cooperation with previous CRA: CRISIL has conducted the review on the basis of best available information and has classified Jaya Guru Saw Mill as "Not Cooperating" vide its press release dated August 05, 2019.

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	1.00	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Non-fund-based - ST-ILC/FLC	-	-	-	7.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	1.00	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (26-Feb-19)	1)CARE B+; Stable (06-Feb-18)
2.	Non-fund-based - ST-ILC/FLC	ST	7.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE A4; ISSUER NOT COOPERATING* (26-Feb-19)	1)CARE A4 (06-Feb-18)

*Issuer did not cooperate; based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Group Head Name – Nivedita Ghayal
Group Head Contact no.- 040-69000500
Group Head Email ID - nivedita.ghayal@careratings.com

Business Development Contact
Name: Pradeep Kumar
Contact no. : 044-28501001
Email ID : pradeep.kumar@careratings.com

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Sree Jeyasakthi Saw Mill
May 05, 2020

Ratings

Facilities	**Amount (Rs. crore)**	**Ratings[15]**	**Rating Action**
Long –term Bank Facilities	3.00	**CARE C; Stable; ISSUER NOT COOPERATING*** (Single C; Outlook:Stable; Issuer not cooperating*)	Issuer not cooperating; Revised from CARE B; Stable; (Single B; Outlook:Stable); Issuer not cooperating on basis of best available information
Short-term Bank Facilities	6.00	**CARE A4; ISSUER NOT COOPERATING*** (A Four; Issuer not cooperating*)	Issuer not cooperation on basis of best available information
Total Facilities	**9.00 (Rupees Nine Crore only)**		

Details of instruments/facilities in Annexure

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 26, 2019, placed the rating(s) of Sree Jeyasakthi Saw Mill (SJSM) under the 'Issuer non-cooperating' category as SJSM had failed to provide information for monitoring of the rating. SJSM continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated April 21, 2020 and April 23, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating has been revised by taking into account of non-availability of requisite information due to non-cooperation by Sree Jeyasakthi Saw Mill with CARE's efforts to undertake a review of the outstanding rating as CARE views information availability risk as a key factor in its assessment of credit risk.

Detailed description of the key rating drivers

At the time of last rating on February 26, 2019 the following were the rating strengths and weaknesses:

Key Rating Weakness

Small scale of operations with fluctuating in total operating income

The scale of operations of the firm marked by the total operating income (TOI) has been declining and remained small during the review period. Total operating income declined from Rs. 12.76 crore in FY15 to Rs. 9.34 crore in FY16 due to decline in sale as the result of increase in timber cost. However the same grew to Rs.12.56 crore in FY17 at the back of increase in orders from existing customers.

Fluctuating and thin profitability margins during review period

The firm has fluctuating PBILDT margins during review period. The PBILDT margin of the firm Improved from 3.35% in FY15 to 5.54% in FY16 due to decline in employee cost. However it decreased to 4.37% in FY17 due to increase in cost of goods and other expenses (custom duty charges). The PAT margin of the firm improved from 0.63% in FY15 to 0.81% in FY16 due to increase in PBILDT in absolute terms. However it deteriorated to 0.66% in FY17 due to increase in depreciation cost and interest cost

Weak capital structure and weak debt coverage indicators

The debt equity ratio of the firm has remained below unity for the last three balance sheet date ended March 31, 2017. The overall gearing ratio of the company improved from 1.80x as on March 31, 2015 to 1.62x as on March 31, 2016 due to decrease in total debt on account of lower utilization of working capital. Also, the ratio improved to 1.57x as on March 31, 2017 due to increase in tangible networth albeit increased in total debt at the back of availement of vehicle loan.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer did not cooperate; based on best available information*

SJSM has weak debt coverage indicators during review period. Total debt/ GCA of the firm improved from 35.52x in FY15 to 28.08x in FY16 due to increase in cash accruals coupled with decrease in total debt. However it deteriorated to 28.93x in FY17 due to marginally increased in total debt levels. The PBILDT interest coverage ratio of the firm deteriorated from 1.34x in FY15 to 1.31x in FY17 due to increase in interest cost.

Working capital intensive nature of operations and elongated operating cycle
The firm has elongated operating cycle which stood at 101 days in FY17 though improved from 246 days in FY16 due to improvement in average collection period. The firm is required to keep inventory levels of around 3-4 months to meet customers' demand. Furthermore, the firm imports wood and teak in bulk from the suppliers located at international markets like Burma, South Africa, Malaysia, etc. which also results in high inventory levels. The firm receives payment from its customers' up to 120 days. The credit period availed by the firm from its suppliers with in within 120-180 days due to 80% of total purchases are imports coupled with due to long term relationship with supplier whereby the firm avails extension in the credit period. The average utilization of working capital limit stood at 70 % for the last 12 month ended November 30, 2017.

Constitution of the entity as a partnership firm with inherent risk of withdrawal of capital
The firm being a partnership firm is exposed to inherent risk of capital withdrawal by the partners, due to its nature of constitution. Further, any substantial withdrawals from capital account would impact the networth and thereby the financial profile of the firm. The partners have withdrawn capital of Rs. 0.16 crore in FY16.

Highly fragmented industry with intense competition from large number of players
The firm is engaged in trading of wood which is highly fragmented industry due to presence of large number of organized and unorganized players in the industry the firm faces huge competition.

Key Rating Strengths
Long track record and experience of the partners for more than three decades in trading industry
SJSM was established in 2002 and has been in the trading of wood and teak industry for more than three decades now. The firm is managed by Mr. P Sanjeev kumar and Mrs. Meena (spouse of Mr. Sanjeev kumar). Mr. Sanjeev kumar is qualified graduate and has more than three decades of experience in the trading of wood and teak industry. Due to long term presence in the market, the partners have developed good relations with suppliers and customers.

Analytical Approach: Standalone
Applicable Criteria
Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook and credit watch to Credit Ratings
CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
Rating Methodology-Wholesale Trading
CARE's Methodology for Short Term Instruments

About the Firm
Sree Jeyasakthi Saw Mill (SJSM) was established in 2002 as a partnership firm by Mr. P Sanjeev kumar (Managing Partner) and S. Meena (Partner).The firm is engaged in trading (wholesale and retail) of wood and teak products from past 30 years. The firm imports majority of the timber wood from the suppliers located in the international markets like Burma, South Africa, Australia, and Malaysia. The firm sells the products to customers located in Kerala, Tamil Nadu, and Pondicherry and Telangana.

Brief Financials (Rs. crore)	FY16 (A)	FY17(A)
Total operating income	9.34	12.56
PBILDT	0.52	0.55
PAT	0.02	0.03
Overall gearing (times)	1.62	1.57
Interest coverage (times)	1.28	1.31

*A: Audited

Status of non-cooperation with previous CRA: ACUITE has conducted the review on the basis of best available information and has classified Sree Jeyasakthi Saw Mill as "Not Cooperating" vide its press release dated October 13, 2018.

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	3.00	CARE C; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Non-fund-based - ST-ILC/FLC	-	-	-	6.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	3.00	CARE C; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (26-Feb-19)	1)CARE B; Stable (07-Mar-18)
2.	Non-fund-based - ST-ILC/FLC	ST	6.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE A4; ISSUER NOT COOPERATING* (26-Feb-19)	1)CARE A4 (07-Mar-18)

*Issuer did not cooperate; based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Group Head Name – Nivedita Ghayal
Group Head Contact no.- 040-69000500
Group Head Email ID - nivedita.ghayal@careratings.com

Business Development Contact
Name: Pradeep Kumar
Contact no. : 044-28501001
Email ID : pradeep.kumar@careratings.com

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

Embee Agro Food Industries Private Limited
May 05, 2020

Rating

Facilities	Amount (Rs. crore)	Ratings[16]	Rating Action
Long -term Bank Facilities	20.33	CARE B-; ISSUER NOT COOPERATING* (Single B Minus; Issuer Not Cooperating*)	Revised from CARE B; ISSUER NOT COOPERATING* (Single B; Issuer not Cooperating); Based on best available information
Total Facilities	**20.33 (Twenty Crore and Thirty-Three Lakh Only)**		

Details of instruments/facilities in Annexure

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 06, 2019, placed the rating(s) of Embee Agro Food Industries Private Limited (EAFIPL) under the 'issuer not cooperating' category as EAFIPL had failed to provide information for monitoring of the rating for the rating exercise as agreed to in its rating agreement. EAFIPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated April 07, 2020 to April 17, 2020 and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

The rating assigned to the bank facilities of EAFIPL have been revised on account of non-availability of requisite information. The ratings, further, continue to remain constrained by small scale of operations with marginal decline in FY18, leveraged capital structure and weak debt coverage indicators.

The ratings, however, continue to derive strength from established track record and experience of the promoter in rice milling industry, improvement in PBILDT margin in FY18 and marginal decline in PAT margin, location advantage with presence in cluster and easy availability to paddy and healthy demand outlook of rice.

Key Rating Weakness

Small scale of operations with marginal decline in FY18

The total operating income of the company marginally declined by ~3.30%, and continued to remain small, and stood at Rs.46.60 crore in FY18 as against Rs.48.19 crore in FY17.

Leveraged capital structure and weak debt coverage indicators.

The overall gearing of the company improved marginally, however continued to remain leveraged, and stood at 2.80x as on March 31, 2018 as against 3.07x as on March 31, 2017.The debt coverage indicators marked by PBILDT interest coverage, continued to remain weak, and marginally declined from 1.18x on FY17 to 1.54x in FY18. TD/GCA and TD/CFO stood at 17.47x and 6.15x in FY18, respectively.

Key Rating Strengths

Established track record and experience of promoter in rice milling industry

EAFIPL has established track record of 10 years. Mr S Animisha (Managing Director) has more than 25 years of experience in the rice milling industry. Mr B Soma shekar Gowda has more than four decades of experience in the rice milling industry and is very well versed with the working of the business and the industry. Due the directors' vast business experience, the company is able to established healthy relationship with key suppliers, customers and with the local farmers, dealers and also with the agents facilitating the business within the state and other states.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*
**Issuer not cooperating; Based on best available information*

Improvement in PBILDT margin in FY18 and marginal decline in PAT margin
The PBILDT margin improved by 478 bps in FY18 and stood at 12.68% as against 790% in FY17. The PAT margin also, marginally declined by 4 bps and stood at 1.37% in FY18 as against 1.41% in FY18
Location advantage with presence in cluster and easy availability to paddy
The rice milling unit of EAFIPL is located at Davangere district, which is one of the major paddy cultivation areas in India. The manufacturing unit is located near to the rice producing region, which ensures easy raw material access and smooth supply of raw materials at competitive prices and lower logistic expenditure. The company procures paddy from the local farmers which is readily available and also resulting in low transportation costs.

Healthy demand outlook of rice
Rice is consumed in large quantity in India which provides favorable opportunity for the rice millers and thus the demand is expected to remain healthy over medium to long term, India is the second largest producer of rice in the world after China and the largest producer and exporter of basmati rice in the world. The rice industry in India is broadly divided into two segments – basmati (drier and long grained) and non-basmati (sticky and short grained). Demand of Indian basmati rice has traditionally been export oriented where the South India caters about one-fourth share of India's exports. However, with a growing consumer class and increasing disposable incomes, demand for premium rice products is on the rise in the domestic market. Demand for non-basmati segment is primarily domestic market driven in India. Initiatives taken by government to increase paddy acreage and better monsoon conditions will be the key factors which will boost the supply of rice to the rice processing units. Rice being the staple food for almost 65% of the population in India has a stable domestic demand outlook. On the export front, global demand and supply of rice, government regulations on export and buffer stock to be maintained by government will determine the outlook for rice exports.

Analytical Approach: Standalone

Applicable Criteria
Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook to Credit Ratings
CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
Rating Methodology – Manufacturing Companies

About the Company
Embee Agro Food Industries Private Limited (EAFIPL) was incorporated in 2005 as a private limited company promoted by Mr B. Somashekhar Gowda and other three directors. All the directors belong to same family. EAFIPL erstwhile known as Magnur Syndicate, a partnership firm established in the year 1999 and promoted by Mr B. Somashekahar Gowda and other three partners. Since inception, the company is engaged inrice milling and processing, however, the processing activity closed in August 2012 since pollution control board insisted to close the unit in that location. Therefore, the company entered into trading of paddy and rice. Later, the company purchased a 7 acres land at Karnataka Industrial Area Development Board (KIADB) to set up a processing unit. The main raw material; paddy, is directly procured from local farmers located in and around Davangere and nearby locations during the off season. The major sales of the company are in Karnataka and Maharashtra regions.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	48.19	46.60
PBILDT	3.81	5.91
PAT	0.68	0.64
Overall gearing (times)	3.07	2.80
Interest coverage (times)	1.18	1.54

A:Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	June 2022	10.33	CARE B-; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT-Cash Credit	-	-	-	10.00	CARE B-; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; ISSUER NOT COOPERATING* on the basis of best available information

*Issuer not cooperating; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	10.33	CARE B-; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B; ISSUER NOT COOPERATING* (06-Feb-19)	1)CARE B+; ISSUER NOT COOPERATING* (15-Nov-17)
2.	Fund-based - LT-Cash Credit	LT	10.00	CARE B-; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B; ISSUER NOT COOPERATING* (06-Feb-19)	1)CARE B+; ISSUER NOT COOPERATING* (15-Nov-17)

*Issuer not cooperating; Based on best available information

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Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Group Head Name – Ms Nivedita Ghayal
Group Head Contact no.- 040- 4010 2030
Group Head Email ID- nivedita.ghayal@careratings.com

Business Development Contact
Name: Mr. Nitin Dalmia
Contact no.: 080 – 4662 5555
Email ID: nitin.dalmia@careratings.com

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Ritzy Chemicals Private Limited
May 05, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long term/Short term Bank Facilities- Fund Based	60.00	**CARE BB-; Stable/CARE A4 ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable/A Four ISSUER NOT COOPERATING*)**	"Issuer not cooperating; Revised from CARE BB+; Stable/CARE A4+ (Double B Plus; Outlook: Stable/ A Four Plus) on the basis of best available information"
Long term/Short term Bank Facilities-Non-Fund Based	255.00	**CARE BB-; Stable/CARE A4 ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable/A Four ISSUER NOT COOPERATING*)**	"Issuer not cooperating; Revised from CARE BB+; Stable/CARE A4+ (Double B Plus; Outlook: Stable/ A Four Plus) on the basis of best available information"
Total	**315.00 (Rupees Three Hundred Fifteen Crore only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Ritzy Chemicals Private Limited to monitor the ratings vide e-mail communications/letters dated April 16, 2020, April 07, 2020, April 03, 2020, April 01, 2020, March 31, 2020, March 23, 2020, March 06, 2020, March 04, 2020, March 02, 2020, February 28, 2020, February 19, 2020, February 14, 2020, February 07, 2020, February 05, 2020, February 03, 2020, January 31, 2020, January 21, 2020, January 15, 2020 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Ritzy Chemicals Private Limited's bank facilities will now be denoted as **CARE BB-; Stable/CARE A4; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised on account of subdued financial performance during FY19 (refers to period April 01 to March 31) with losses during the year. The rating continues to be constrained by the company's stretched liquidity position and weak financial risk profile marked by high gearing. The ratings also factor in RCPL's exposure to fluctuation in commodity prices and foreign exchange rates. The ratings, however, continue to derive strength from extensive experience of the promoters with presence of group companies in related business, sizeable scale of operations and well diversified product portfolio.

Detailed description of the key rating drivers

At the time of last rating on April 04, 2019 the following were the rating strengths and weaknesses (updated for the information available from Ministry of Corporate Affairs):

Key Rating Weaknesses

Low profitability margins: RCPL's PBILDT margin declined to -1.49% in FY19 (refers to period: April 01 to March 31) (PY: 2.73%). The margin remained constraint due to volatility in the price of traded goods price. The PAT margin of the company also remained declined to -2.46% during FY19 (PY: 0.74%).

Stretched liquidity position: The company's operating cycle stood elongated at 49 days during FY19 (PY: 64 days) on account of high average collection period. The collection period increased by 8 days to 109 days during FY19 (PY: 101 days). The average utilization of fund based working capital limits remains high.

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*
**Issuer did not cooperate; Based on best available information*

Weak financial risk profile: The company's overall gearing improved to 1.95x as on March 31, 2019 (PY: 3.93x) largely due to decrease in working capital borrowings. The total debt to GCA stood at -2.31x in FY19 (PY: 35.04x) on account of losses in FY19. However the company's interest coverage stood at -0.65x in FY19 (PY: 1.49x).

Commodity price fluctuation and foreign exchange fluctuation risk: RCPL's major raw materials are crude oil derivatives and their prices are highly correlated to international crude oil prices. The profitability of RCPL remains highly susceptible to any price movement of these raw materials as the corresponding change in the sale price of the plasticizers is not as frequent as the volatility in raw material prices. Moreover, on account of high dependence on import for raw materials and traded goods, the company is exposed to foreign exchange fluctuation risk.

Key Rating Strengths

Experienced promoters with established position in the domestic market: RCPL is promoted by the Sethi family who have number of companies operating in plasticizers/plastic additives industry and enjoys a well-established position in the domestic market. As a result of the long-track record of the promoters in the industry, the group (PCL Group) enjoys established relationships with customers as well as suppliers resulting in steady demand for the products traded or manufactured by group entities. RCPL continues to derive strength from promoters' relationship with industry's leading buyers.

Well diversified product portfolio and customer base: RCPL has a well-diversified product portfolio in the plasticizers and allied chemicals domain. The portfolio comprises of entire gamut of chemicals and additives either through direct manufacturing or through trading of allied chemicals. Also, RCPL comprises of sales to different industries ranging from plastic, rubber, artificial leather, pharmaceuticals, etc.

Sizeable scale of operations: The total operating income increased by 3.85% during FY19 and stood at Rs 881.90 crore (PY: Rs. 849.22 crore). RCPL also witnessed volatility in sales realization for traded goods.

Analytical approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
CARE's Policy on Default Recognition
Criteria for Short Term Instruments
Rating Methodology - Wholesale Trading
Financial ratios - Non-Financial Sector
Rating Methodology-Manufacturing Companies

About the Company

About the company Incorporated in 1992, RCPL is promoted and closely held by the Sethi family (PCL group). It is engaged in manufacturing and trading of PVC resin, Phthalic Anhydride, 2-Ethyl Hexanol (2EH), Iso-Butyl Alcohol (IBA), Polymer additives and various other allied chemicals. Located in Daman, RCPL's manufacturing facility has a capacity of manufacturing 96,000 MTPA as on March 31, 2018 of solvents and softeners which find their application in wood polish, printing ink, paints, washing PVC medical and surgical products etc.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	849.22	881.90
PBILDT	23.15	-13.12
PAT	6.27	-21.66
Overall gearing (times)	3.93	1.95
Interest coverage (times)	1.49	-0.65

A: Audited

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - LT/ ST-Letter of credit	-	-	-	255.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB+; Stable / CARE A4+ on the basis of best available information
Fund-based - LT/ ST-Cash Credit	-	-	-	60.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB+; Stable / CARE A4+ on the basis of best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Non-fund-based - LT/ ST-Letter of credit	LT/ST	255.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB+; Stable / CARE A4+ on the basis of best available information	-	1)CARE BB+; Stable / CARE A4+ (04-Apr-19)	1)CARE BB+; Stable / CARE A4+ (05-Apr-18)	-
2.	Fund-based - LT/ ST-Cash Credit	LT/ST	60.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB+; Stable / CARE A4+ on the basis of best available information	-	1)CARE BB+; Stable / CARE A4+ (04-Apr-19)	1)CARE BB+; Stable / CARE A4+ (05-Apr-18)	-

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Contact us

Media Contact
Mr. Mradul Mishra
+91-22-68374424
mradul.mishra@careratings.com

Analyst Contact
Mr. Sachin Mathur
+91-11- 45333206
sachin.mathur@careratings.com

Business Development Contact
Ms. Swati Agrawal
+91-11-45333200
swati.agrawal@careratings.com

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Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Agri Venture
May 05, 2020

Rating

Facilities	**Amount (Rs. crore)**	**Ratings[18]**	**Rating Action**
Long/Short-term Bank Facilities	5.95	**CARE D/ CARE D; ISSUER NOT COOPERATING* [Single D/ Single D; ISSUER NOT COOPERATING]**	Issuer not cooperating; Based on best available information
Total Facilities	**5.95 (Rupees Five crore Ninety Five lakh only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers
CARE had, vide its press release dated February 15, 2019, placed the ratings of Agri Venture under the 'Issuer non-cooperating' category as Agri Venture had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement . Agri Venture continues to be non-cooperative despite repeated requests for submission of information through phone calls and letter/emails dated April 15, 2020, April 17, 2020, April 20, 2020 and April 23, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.
Detailed description of the key rating drivers
At the time of last rating done on February 15, 2019, the following was the rating weakness:

Key Rating Weaknesses
Delay in debt servicing
Agri venture has been irregular in servicing its debt obligation due to its weak liquidity position.

Analytical approach: Standalone
Applicable Criteria
[Policy in respect of Non-cooperation by issuer](#)
[Criteria on assigning Outlook to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[CARE's methodology for manufacturing companies](#)

About the Firm
Rajkot-based (Gujarat), Agri Venture was incorporated in 2014. Agri Venture is merchant exporter of Agri commodities such as Sesame Seeds, Turmeric Finger, Groundnut and Cumin seeds. Mr. Chirag Mahesh Sangani, proprietor, who has an experience of more than thirteen years, manages the overall operations of the firm. They majorly export to countries like Vietnam, Greece, Turkey, Israel and Egypt.

(Rs. crore)

Brief Financials	**FY15 (A)**	**FY16 (A)**
Total operating income	79.51	46.12
PBILDT	1.20	1.05
PAT	0.46	0.16
Overall gearing (times)	1.40	2.52
Interest coverage (times)	1.78	1.24

A: Audited

[1]*Complete definition of the ratings assigned are available at* www.careratings.com *and other CARE publications*

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: Not Applicable.

Rating History for last three years: Please refer Annexure-2

Annexure 1: Details of Instruments/Facilities:-

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT/ ST-CC/PC/Bill Discounting	-	-	-	5.95	CARE D / CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

Annexure 2: Rating History for last three years:-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	5.95	CARE D / CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (15-Feb-19)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (25-Jan-18)

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Contact us

Media Contact
Name: Mr. Mradul Mishra
Contact no.: 022-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact
Name: Ms. Shreeda Shah
Contact no.: 079-40265636
Email ID: shreeda.shah@careratings.com

Business Development Contact
Name: Mr. Deepak Prajapati
Contact no.: 079-40265656
Email ID: deepak.prajapati@careratings.com

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

Hanuman Cotton Industries
May 05, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term Bank Facilities	8.01	**CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)**	Issuer not cooperating; Based on best available information
Total	**8.01 (Rupees Eight Crore and One Lakh only)**		

Details of facilities in Annexure -1

Detailed Rationale & Key Rating Drivers
CARE had, vide its press release dated February 06, 2019, placed the rating(s) of Hanuman Cotton Industries (HCI) under the 'issuer non-cooperating' category as HCI had failed to provide information for monitoring of the rating. HCI continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 16, 2020, April 27, 2020, April 28, 2020 and April 29, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers
At the time of last rating on February 06, 2019 the following was the rating weaknesses:

Key Rating Weaknesses

On-going delay in debt servicing
Owing to weak liquidity position, there are on-going delays in debt servicing.

Analytical approach: Standalone

Applicable Criteria
Policy in respect of Non Cooperation by Issuer
Criteria on assigning outlook to credit ratings
CARE Policy on Default Recognition
Rating Methodology-Manufacturing Companies
Financial Ratios-Non-Financial Sector
Rating Methodology- Cotton Textile Manufacturing

About the firm
Hanuman Cotton Industries (HCI) was constituted in March 2006 as a partnership firm by Vekaria family based out of Amreli (Gujarat) by eight partners with unequal profit and loss sharing agreement among them. HCI is primarily engaged in cotton ginning & pressing activities with an installed capacity of 10,886 Metric Tonnes Per Annum (MTPA) for cotton bales, 18,380 MTPA for cotton seeds and oil-seed crushing facility with a capacity of 1381 MTPA as on March 31, 2015 at its manufacturing facility located at Savarkundla in Amreli district (Gujarat).

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*
**Issuer did not cooperate; Based on best available information*

Brief Financials (Rs. crore)	FY14 (A)	FY15 (A)
Total operating income	39.72	23.44
PBILDT	1.08	1.12
PAT	0.06	0.04
Overall gearing (times)	1.88	1.72
Interest coverage (times)	1.22	1.17

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	April. 2016	0.01	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	6.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	2.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	0.01	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (06-Feb-19)	1)CARE D; ISSUER NOT COOPERATING* (09-Nov-17) 2)CARE B+; ISSUER NOT COOPERATING* (17-Apr-17)
2.	Fund-based - LT-Cash Credit	LT	6.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (06-Feb-19)	1)CARE D; ISSUER NOT COOPERATING* (09-Nov-17) 2)CARE B+; ISSUER NOT COOPERATING* (17-Apr-17)
3.	Fund-based - LT-Cash Credit	LT	2.00	CARE D; ISSUER NOT	-	-	1)CARE D; ISSUER NOT	1)CARE D; ISSUER NOT

				COOPERATING*			COOPERATING* (06-Feb-19)	COOPERATING* (09-Nov-17) 2)CARE B+; ISSUER NOT COOPERATING* (17-Apr-17)

*Issuer did not cooperate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Name-Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Name: Mrs Shachee Vyas
Contact no.: (79) 40265665
Email: shachee.tripathi@careratings.com

Relationship Contact
Name: Mr. Deepak Prajapati
Contact no. : (079) 40265656
Email ID: deepak.prajapati@careratings.com

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VBC Renewable Energy Private Limited
May 05, 2020

Ratings

Facilities	**Amount (Rs. crore)**	**Ratings**[1]	**Rating Action**
Long-term Bank Facilities	14.20	CARE D; ISSUER NOT CO-OPERATING* (Single D Issuer not co-operating)	Issuer not co-operating; based on best available information
Total Facilities	**14.20 (Rs. Fourteen Crore and Twenty Lakh only)**		

[1]Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 22, 2019, placed the ratings of VBC Renewable Energy Private Limited under the 'issuer non-cooperating' category as company had failed to provide information for monitoring of the rating. The company continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated January 2020 to April 20,2020 .In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

The reaffirmation in the ratings of VBC Renewable Energy Private Limited continues to be tempered by short track record of operations, leveraged capital structure and weak debt coverage indicators..The ratings, however, derive their strength from experienced promoters for more than two decades in power Industry, long-term power purchase agreement (PPA) with APEPDCL and positive outlook of renewable power generation industry.

Key Rating Weaknesses

Delays in meeting of debt obligation

There were delays in meeting the debt obligation due to liquidity issues in the company.

Leverage capital structure and weak debt coverage indicators

The capital structure of the company stood leveraged marked by overall gearing of 2.91x as on March 31, 2019 due to low net worth and higher outstanding balance of Long term bank barrowings.

The total debt/GCA of the company was high at 22.00x in FY19 as against 30.63x in FY18 due to lower cash accruals. However, the interest coverage ratio stood satisfactory at 1.52x in FY19 as against 1.34x in FY18.

Key Rating Strengths

Experience of the promoter for more than two decades in the power industry

VBC is promoted by Mr. C Pattabhi Rama Rao and his relatives. Mr C Pattabhi Rama Rao is a qualified post graduate having more than two decades of experience in power sector. He is also one of the partners in Keerthi Granites and proprietor of Siddhartha Equipment and Construction (engaged in providing mechanical and electrical transmission works like transmission lines of 33, 110, 220 Kva). Apart, Mr. C Pattabhi Rama Rao has gained experience in power sector through working in various companies. Mr Biswajit Mishra has more than three decades of experience in power sector. He has worked as secretary in Orissa Electricity Regulatory Commission (OERC) and in Human Rights Commission (HRC) as Additional Secretary. The operations of the company are well supported by the technical team for smooth functioning of business operations.

Analytical Approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook to Credit ratings

CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
Rating Methodology :Solar Power Projects

About the company
VBC Renewable Energy Private Limited (VBC) was incorporated in the year 2013 and promoted by Mr C Pattabhi Rama Rao and his relatives. The company has setting up 3-MW solar photovoltaic (PV) power plant at Penubarthi Village, Visakhapatnam. The project achieved commercial operational from July 12, 2016 as envisaged. VBC has an entered into long-term power purchase agreement with APEPDCL dated December 04, 2014, for supply of 3-MW power at a tariff of Rs.5.99/KWh..

Particulars	FY18 (A)	FY19 (A)
Total operating income	2.87	2.84
PBILDT	2.64	2.61
PAT	0.23	0.01
Overall gearing (times)	2.98	2.91
Interest coverage (times)	1.34	1.52

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	Sept-2028	14.20	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	14.20	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (22-Mar-19)	1)CARE BB; Stable (28-Feb-18) 2)CARE BB; Stable (28-Feb-18) 3)CARE BB; Stable (16-May-17)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Nivedita Ghayal
Contact no: 040-67937415
Email: nivedita.ghayal@careratings.com

Business Development Contact
Name: Ravi Babu
Contact no. : 9989998695
Email ID: ravi.babu@careratings.com

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Jagdamba Steels
May 05, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[19]	Rating Action
Long term Bank Facilities	15.00	**CARE BB-; ISSUER NOT COOPERATING* (Double B Minus; ISSUER NOT COOPERATING*)**	Issuer not cooperating; Revised from CARE BB; Stable (Double B ; Outlook: Stable) on the basis of best available information
Short term Bank Facilities	3.00	**CARE A4; ISSUER NOT COOPERATING* (A Four ; ISSUER NOT COOPERATING*)**	Issuer not cooperating; on the basis of best available information
Total	**18.00 (Rupees eighteen crore only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Jagdamba Steels to monitor the ratings vide e-mail communications/letters dated February 17, 2020, February 14, 2020, February 07, 2020, February 05, 2020 and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further, Jagdamba Steels has not paid the surveillance fees for the rating exercise as agreed to in its rating agreement. The rating on Jagdamba Steel's bank facilities will now be denoted as **CARE BB-/CARE A4; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised on account of absence of key financials for the current year to assess the operational performance and liquidity, low profitability margins, weak financial risk profile, and modest liquidity profile. However, the ratings draw strength from extensive experienced partners of the firm with long track record of operations, and established sourcing and marketing arrangement.

Detailed description of the key rating drivers

At the time of last rating on March 04, 2019 the following were the rating weaknesses and strengths.
(Updated for the information available with audited FY19 financial statement)

Key Rating Weaknesses

Growing scale of operations albeit low profitability margins

The PBILDT margin of the firm improved to 1.61% in FY19 (refers to the period from April 1 to March 31), as compared with 1.42% in FY18. PAT margin of the firm also improved to 0.69% in FY19, compared to 0.37% in FY18. The profitability of the firm is low mainly due to the trading nature of business. The total operating income of the firm has improved to Rs.600.48 cr. during FY19 (PY: Rs.399.27 cr.).

Weak financial risk profile

The overall gearing of the firm improved to 2.54x as on March 31, 2019 from 3.67x as on March 31, 2018 mainly due accretion of profits to net worth. Total debt/gross cash accruals has improved to 9.18x as on March 31, 2019 (PY: 21.72x), due to increase in GCA. The interest coverage ratio of the firm has also improved to 1.83x in FY19 (PY: 1.40x).

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications*
**Issuer did not cooperate; Based on best available information*

Intense competition
The profitability margins of Jagdamba have been low historically owing to the trading nature of the business and intense market competition given the highly fragmented nature of the industry. Owing to the small scale of operations, it has high risk from the competition prevailing in the market.

Fortunes linked with steel industry which is cyclical in nature
The steel industry is sensitive to the shifting business cycles. The performance of the steel sector is linked to the fortune of infrastructure sector, which, in turn, is dependent on the macro-economic condition. Jagdamba's products are mainly used in the construction and infrastructure sector which is currently exhibiting slow growth.

Key Rating Strengths

Experienced and resourceful partners with long track record of operations
Jagdamba was established in 1974, and is presently managed by Mr. P.D. Agarwal, Mr. Rakesh Agarwal and Mr. Ankit Garg. Mr. P.D. Agarwal and Mr. Rakesh Agarwal are associated with the business since 44 years and 23 years respectively. The long track record of operations help them to better understand the peculiarities of steel & aluminum trading business and provides it advantages of long standing association with customers and suppliers.

Established sourcing and marketing arrangement
Jagdamba Steels is engaged in trading of steel and aluminium products, and has a presence in the Faridabad, Ghaziabad, and Delhi region. It has been dealing with RINL since 1998, with SAIL since 2005 and with NALCO since 2016. The firm has MOU signed with RINL which is renewed annually.

Analytical approach: Standalone
Applicable Criteria
Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook and credit watch to Credit Ratings
CARE's Policy on Default Recognition
Rating Methodology – Wholesale trading
Criteria for Short Term Instruments
Financial ratios – Non-Financial Sector

About the firm
Jagdamba Steels (Jagdamba) was established in 1974 as a partnership firm, with Mr. P.D. Agarwal, Mr. Rakesh Agarwal and Mr. Ankit Garg as the partners. Jagdamba is involved in the trading of steel and steel products, like TMT bars, round bars, billets, angles and beams. It operates its business in the National Capital Region (NCR). Jagdamba sources majority of its purchases from Steel Authority of India Ltd (SAIL), Rashtriya Ispat Nigam Limited (RINL) and National Aluminum Company Limited (NALCO).

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	399.27	600.48
PBILDT	5.68	9.65
PAT	1.48	4.16
Overall gearing (times)	3.67	2.54
Interest coverage (times)	1.40	1.83

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Stable on the basis of best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	3.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BB; Stable on the basis of best available information	-	-	1)CARE BB; Stable (04-Mar-19)	1)CARE BB; Stable (02-Feb-18)
2.	Non-fund-based - ST-Bank Guarantees	ST	3.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE A4 (04-Mar-19)	1)CARE A4 (02-Feb-18)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities- Nil

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Mr. Sachin Mathur
Contact No.- 011- 45333206
Email ID- sachin.mathur@careratings.com

Relationship Contact
Ms. Swati Agrawal
Contact no. : +91-11-45333200
Email ID : swati.agrawal@careratings.com

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A.B. Pal Electricals Private Limited
May 05, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating[20]	Rating Action
Long term Bank Facilities	**13.00**	**CARE BB-; Stable (Double B Minus; Outlook: Stable)**	**Revised from CARE BB; Stable (Double B Minus)**
Short term Bank Facilities	**43.50**	**CARE A4 (A Four)**	**Reaffirmed**
Total Facilities	**56.50 (Rupees fifty six crore and fifty lakh only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the rating assigned to the bank facilities of A.B. Pal Electricals Private Limited is on account of lower than envisaged profitability and consequently lower cash accruals. The rating also remains constrained due to leveraged capital structure, working capital intensive nature of operations, and competitive nature of industry. However, the rating derives comfort from improved operating performance characterized by sequential increase in scale of operations, extensive experience of promoters, long track record of operations and established supplier and customer base.

Rating Sensitivities

Positive Factors

- Consistent growth in scale of operations with total operating income above Rs.400 crore on a sustained basis.
- Improvement in profitability with PBILDT margin above 3.00% without any adverse impact of the capital structure on a sustained basis.

Negative Factors

- Decrease in scale of operations with total operating income below Rs.300 crore on a sustained basis.
- Decrease in profitability with PBILDT margin below 2.00% on a sustained basis.

Detailed description of the key rating drivers

Key Rating Weaknesses

Leveraged capital structure

The financial risk profile of ABPL is characterized by highly leveraged capital structure and low net worth base. The total debt of ABPL stood at Rs.95.63 crore as on March 31, 2019 which includes working capital bank borrowings of Rs.63.45 crore, loans from related parties of Rs.26.11 crore and other long term loans of Rs.6.07 crore. The company has availed loan against property and unsecured loans from NBFC's to fund the working capital gap which has resulted in high interest cost. Although the overall gearing has reduced from 8.81x as on March 31, 2018 to 3.37x as on March 31, 2019, it continues to remain high. The improvement in overall gearing is on account of conversion of unsecured loans from promoters to equity and fresh equity infused to the tune of Rs.8.19 crore in FY19 (refers to the period from April 1 to March 31).

Working capital intensive operations leading to high gearing

ABPL has working capital intensive operations as reflected by operating cycle of 129 days in FY18 and 122 days in FY19. The working capital cycle is high on account of stretched collection period which stood at 149 days in FY18 and 123 days in FY19 owing to the trading nature of business and major customers being retailers and contractors. The creditors' days decreased from 81 days in FY18 to 54 days in FY19 as the company has to make payments within 70 days under the channel finance facility.

[20] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Competitive nature of Industry
Wires & Cables industry is a highly fragmented with large number of organized and unorganized players operating in the industry leading to high competition. The company is a distributor of electronic components of renowned companies which has other small players catering to the same market with low entry barriers which has limited bargaining power and exerts pressure on it margins.

Key Rating Strengths

Consistent growth in scale of operations
The company has reported steady growth in its operating income over the past few years with a CAGR of 8.70% during the period FY16 to FY19 and y-o-y growth of 14.69%. The growth in scale has been supported by improved demand from existing clientele besides new clients added. Although the profitability margin continues to remain subdued owing to the trading nature of business operations which has inherently thin profit margin as there is no value addition. PBILDT margin of the company remained relatively stable at 2.52% (PY: 2.46%) during FY19. However, there was a significant deviation in the envisaged profitability for FY19.

Experienced management having long track record of operations
ABPL was established in the year 1973 as a partnership firm and later reconstituted as private limited company in the year 1995 with a view to expand its operations. The Delhi based company was promoted by Mr. Thaker Pal Singh and his family members. The promoters have an industry experience of nearly four decades. The company has a diverse product portfolio, comprising of electrical cables, wiring, switch gears and lighting as well as a diverse customer base, with over 800 clients including industrial clients such as Maruti Suzuki, Siemens, Shapoorji Pallonji, and L&T.

Established customer and supplier base
ABPEPL has developed a long-standing relationship with its customers over the years resulting in repeat orders from its customers. Further, the company has a reputed supplier base and major suppliers including Havells India Ltd., Philips, Polycab wires Pvt. Ltd., Bajaj Electricals and RR Kabel Ltd. Further the company has a wide customer base with top 5 customers accounting for less than 5% of the total operating income.

Liquidity: Stretched
The cash and bank balance of ABPL stood at Rs.0.29 crore as on March 31, 2019 (PY: 0.28 crore). The current ratio also stood comfortable at 1.50x as on March 31, 2019 (PY: 1.42x). ABPL has reported cash accruals of Rs.1.34 crore during FY19 (PY: Rs.1.28 crore). Operating cycle of the company stood at 122 days (PY: 129 days) during FY19.

Analytical approach: Standalone

Applicable Criteria
Criteria on assigning Outlook and credit watch to Credit Ratings
CARE's Policy on Default Recognition
Criteria for Short-term Instruments
Rating Methodology- Wholesale Trading
CARE's methodology for financial ratios (Non-Financial Sector)

About the Company
A.B. Pal Electricals Pvt. Ltd. (ABPEPL) was originally established as a partnership firm in the year 1973 which was later reconstituted as a private limited company in the year 1995. ABPEL is a closely held company promoted by Mr. Thaker Pal Singh and his family members. ABPEPL is an authorized stockiest/distributor for electrical components such as cables, wires, switches including various lighting products, major suppliers being electrical component manufacturing companies like Havells India Ltd., Bajaj, Gloster Cables Ltd., Philips, Polycab wires Pvt. Ltd., RR Kabel Ltd., Grandlay electricals (India) Pvt. Ltd. and others. The Company provides all kinds of lighting solution be it Indoor Lighting, Outdoor Lighting, Industrial Lighting, Commercial Lighting, Consumer Luminaire, Decorative Range, International Range & the Future generation of lighting – LED as well and has a distributorship of 21 companies.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	297.42	341.20
PBILDT	7.30	8.58
PAT	0.95	1.09
Overall gearing (times)	8.81	3.37
Interest coverage (times)	1.31	1.28

A: Audited

Status of non-cooperation with previous CRA: CRISIL vide PR dated: September 30, 2019
Any other information: NA
Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	13.00	CARE BB-; Stable
Fund-based - ST-Bills discounting/ Bills purchasing	-	-	-	37.50	CARE A4
Non-fund-based - ST-BG/LC	-	-	-	6.00	CARE A4

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	13.00	CARE BB-; Stable	-	1)CARE BB; Stable (03-Jul-19)	1)CARE BB-; Stable (29-Jun-18)	-
2.	Fund-based - ST-Bills discounting/ Bills purchasing	ST	37.50	CARE A4	-	1)CARE A4 (03-Jul-19)	1)CARE A4 (29-Jun-18)	-
3.	Non-fund-based - ST-BG/LC	ST	6.00	CARE A4	-	1)CARE A4 (03-Jul-19)	1)CARE A4 (29-Jun-18)	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities- Nil
Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact
Mr. Sachin Mathur
Contact No.- 011- 45333206
Email ID- sachin.mathur@careratings.com

Relationship Contact
Ms. Swati Agrawal
Contact no. : +91-11-45333200
Email ID : swati.agrawal@careratings.com

About CARE Ratings:

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Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Green Woods Palaces And Resorts Private Limited

May 05, 2020

Rating

Facilities	Amount (Rs. crore)	Rating[21]	Rating Action
Long-term Bank Facilities	215.61	**CARE BBB+; Negative (Triple B Plus; Outlook: Negative)**	Revised from CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
Short term Bank Facilities	15.00	**CARE A3+ (A Three Plus)**	Reaffirmed
Total Facilities	**230.61 (Rs. Two Hundred and Thirty crore and Sixty One lakh only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the outlook assigned to the bank facilities of Green Woods Palaces and Resorts Private Limited from 'Stable' to 'Negative' is on account of expected decline in the revenue for a longer period following the nationwide lockdown imposed by the government to contain the spread of novel coronavirus (COVID-19). Further, being located at the Shivaji International Airport Mumbai (CSIA) T1, the hotel's revenues are closely linked to the air and passenger traffic of the airport. The reduction/stoppage of air traffic at the airport due to outbreak of COVID-19 is expected to negatively impact the business profile and cash flows of the company in the near term over the next few quarters. Also, lowering of the discretionary spending by the customers in these times of economic downturn, the demand is expected to remain muted at least for the near term. The decline in revenue may have a significant bearing on the credit profile of the company.

The ratings assigned to the bank facilities of Green Woods Palaces & Resorts Private Limited (Green Woods) continue to derive strength from experienced & strong promoter group, tie-up with TAJ group for operating the hotel, strategic and prime location of the property at Mumbai airport albeit single location asset and coactive revenue sharing model between Green Woods and Mumbai International Airport Limited (MIAL). The ratings also factors in improvement and stabilization of hotel operations resulting in improved occupancy ratio and improved financial performance with , the company reporting net profit during FY19 for the first time since commencement of operations, adequate liquidity position and comfortable operating cycle. The ratings are, however, constrained by leveraged capital structure & moderate debt coverage indicators, competition from the existing & upcoming hotels in the vicinity of Mumbai airport and the inherent cyclical nature of the hospitality industry coupled with negative outlook.

Outlook - Negative

Rating Sensitivities

Positive Factors

- Improvement in the occupancy levels beyond 80%
- Improvement in capital structure with overall gearing below 3.00x

Negative Factors

- Decline in revenues for a longer period consequent to the on-going COVID-19 pandemic thereby resulting in significant deterioration in the credit profile
- PBILDT and PAT margins below 35% and 4% respectively

Detailed description of the key rating drivers

Key rating Strengths

Experienced and strong promoter group support

Green Woods Palaces & Resorts Pvt. Limited (Green Woods) is a consortium, jointly set up by Greenridge Hotels & Resorts Private Limited (Greenridge, holding 51% shareholding) and TAJ GVK Hotels & Resorts Limited (TAJGVK) holding the balance 49%. Taj GVK, is a joint venture of the GVK group with The Indian Hotels Company Limited (IHCL) and is one of the largest

2*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

hotel chains in India. The promoters of the company have long established presence in the hotel industry and the company is expected to be benefitted from the vast experience of the promoters.

Strategic and prime location of the property
The hotel is strategically located at Mumbai airport between domestic terminals 1A and 1B. Mumbai being the financial and commercial capital of India, Mumbai International Airport Limited (MIAL) attracts passengers from various parts of the world. The advantage of being in proximity to the MIAL along with association of Taj brand augurs well for the growth prospects of the hotel.

Operations and management by TAJGVK
Green Woods has tied up with TAJGVK for operating the hotel (for a period of 25 years) and the hotel is being operated under the brand name 'TAJ SANTACRUZ'. The operations under the Taj banner provide marketing support to the company and have also resulted in better occupancy levels.

Coactive revenue sharing model of Green Woods and MIAL
Due to implementation of asset light strategy, the building structure has been leased from MIAL. Further, the movable assets and the infrastructure facilities are by Green Woods. The lease agreement was executed on May 05, 2010 for a period of 26 years. In consideration of the grant of the concession by MIAL, Green Woods shall pay Minimum Annual Guarantee (MAG) amount and percentage of revenue for License by MIAL for operations at the Hotel premises.

Improved operational performance
The operational performance of the company witnessed further improvement during FY19. Occupancy ratio improved to 76% in FY19 as against 70% in FY18 and 56% in FY17 on account of increased demand coupled with strong brand image. Further, Revenue Per Available Room (RevPAR) has also been improving continuously led by increased Occupancy Ratio. The company reported increase of 16.54% in RevPAR to Rs. 6,842 vis-à-vis Rs. 5,871 during FY18. Further, as per FY20 (Prov.), the occupancy ratio of the company improved from 76% to 78%.

Increase in total operating income and improved profitability margins with company reporting net profits for the first time in FY19
The Total Operating Income (TOI) of the company has increased from Rs.120.76 crore during FY18 to Rs.137.16 crore during FY19 at the back improved occupancy (76% in FY19 as against 70% in FY18) coupled with higher Food &Beverage (F&B) sales. PBILDT margin also improved in FY19 vis-à-vis FY18 on account of increased Rev PAR. For FY19, the company reported net profit of Rs. 5.82 crore as against net loss of Rs. 1.28 crore during FY18. Further, as per FY20 (Prov.), the company has reported a TOI of 137 crore similar to the revenues of FY19.

Key rating Weaknesses
Leveraged capital structure
The capital structure of the company continues to remain leveraged marked by the overall gearing of 4.18x as on March 31, 2019, on account of erosion of net-worth due to carry forward losses of previous years. Similarly, the other debt coverage indicator remains moderate with Total debt to Gross Cash Accruals (GCA) at 6.28x during FY19. PBILDT interest coverage remains satisfactory at 2.36x during FY19.

High susceptibility to economic cycles and operations in highly competitive industry
The hospitality industry is highly fragmented with many local and international players operating across different hotel segments leading to high level of competition in the business. However, the company, on account of its brand name and reputation has been successful in registering comfortable occupancy rates. Nevertheless, the sector is susceptible to downturn in the economy as well as local government policies regulating trade.

Exposed to revenue concentration risk owing to single location asset
The company is exposed to revenue concentration risk as it derives its entire revenue from a single location asset.

Negative industry outlook
In view of the lowering of the discretionary spending by the consumers in these times of economic downturn, the outlook for the Indian players in Hotel Industry is 'Negative' in the short to medium term. The impact on demand, which is expected to remain muted at least for the next three or four quarters. COVID-19 has already impacted the Jan-March 2020 and as the lean season seeps in for both business and leisure segments from April, the hotel players will have some time to realign themselves (cost rationalization, process improvement measures) before the next peak season. The operational parameters (Occupancy rates & Average room rates) of the hotel players are expected to get adversely impacted for next couple of quarters. Though a medium term impact, this may lead to lower cash flows for the hotel entities and thus exert pressure on their profitability and liquidity.

Prospects
The hotel is currently operating with 160 rooms being occupied by doctors out of the 279 rooms consequent to the lockdown imposed by the Government to contain the COVID-19 pandemic in the country. The ongoing pandemic is likely to impact the business risk profile of the company in the near term. The ability of the hotel to resume full-fledged operations and revert back to operational stability will be a key monitorable.

Liquidity: Adequate
The liquidity position of the company is adequate as the company generates sufficient cash accruals to meet term debt principal obligations. The company realizes its debtors within 20-30 days and has a negative operating cycle. This has also resulted in nil utilization of the company's bank borrowings. The company had moderate cash & bank balance of Rs.20.65 crore as on March 31, 2019. Further, the company had fixed deposits of Rs.40 crore and free cash balance of Rs. 6.34 crore as on March 31, 2020 (Prov.) in addition to unutilized OD limits to the tune of Rs. 7.50 crore. The company has opted for moratorium for its debt obligations.

Analytical Approach: Standalone

Applicable Criteria
Criteria on assigning Outlook and Credit Watch to Credit Ratings
CARE's Policy on Default Recognition
Criteria for Short term Instruments
Rating Methodology-Service Sector Companies
Financial ratios – Non-Financial Sector

About the Company
Green Woods Palaces & Resorts Pvt. Limited (Green Woods) is a consortium, jointly set up by Greenridge Hotels & Resorts Private Limited (Greenridge, holding 51% shareholding) and TAJ GVK Hotels & Resorts Limited (TAJGVK) holding the balance 49%.
Pursuant to the Operation, Management and Development agreement between MIAL and Airports Authority of India (AAI), Mumbai International Airport Limited (MIAL) has exclusive right and authority to operate, maintain, develop, design, construct, upgrade, modernize, finance, manage and perform services and activities constituting aeronautical services and non-aeronautical services (which include inter-alia providing hotel facilities and services) at the Chatrapati Shivaji International Airport Mumbai (CSIA).
MIAL issued a Request for Proposal (RFP) for Terminal 1C Hotel project to public and selected the Consortium of Greenridge and TAJGVK as successful bidder. As required under the RFP, the Terminal 1C Hotel Project is being operated as a distant business unit by a special purpose vehicle incorporated by Consortium partners, for which Green Woods was incorporated.
The hotel is classified as a Five Star Deluxe and is being operated under the brand name 'TAJ SANTACRUZ'. It comprises room inventory of 279 rooms catering to the tourists, business and conference segment with speciality restaurants, all day dining, bar, banquet hall, functional hall, swimming pool, spa, gym, business centre retails.
The project was completed with an aggregate cost of Rs.321.00 crore and commenced commercial operations from January 16, 2016 with 141 guest rooms. Remaining 138 rooms and other facilities stared commercial operations from April 01, 2016 post clearance from CSIF security in March 2016 and FY17 was first full-year of operations for the hotel.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	120.76	136.80
PBILDT	46.43	55.77
PAT	-1.28	5.82
Overall gearing (times)	5.00	4.18
Interest coverage (times)	1.79	2.36

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	March 2028	208.11	CARE BBB+; Negative
Non-fund-based - ST-BG/LC	-	-	-	15.00	CARE A3+
Fund-based - LT-Bank Overdraft	-	-	-	7.50	CARE BBB+; Negative

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	208.11	CARE BBB+; Negative	-	1)CARE BBB+; Stable (15-Jul-19)	1)CARE BBB+; Stable (27-Feb-19)	1)CARE BBB; Stable (16-Mar-18)
2.	Non-fund-based - ST-BG/LC	ST	15.00	CARE A3+	-	1)CARE A3+ (15-Jul-19)	1)CARE A3+ (27-Feb-19)	1)CARE A3 (16-Mar-18)
3.	Fund-based - LT-Bank Overdraft	LT	7.50	CARE BBB+; Negative	-	1)CARE BBB+; Stable (15-Jul-19)	1)CARE BBB+; Stable (27-Feb-19)	1)CARE BBB; Stable (16-Mar-18)

Annexure-3: Detailed explanation of covenants of the rated facilities: Not Applicable

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact
Mradul Mishra
Contact no.: +91 - 22 - 6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact
Group Head Name: Ms. Radhika Ramabhadran
Group Head Contact no.: +91 - 40 - 6793 7414
Group Head Email ID: radhika.ramabhadran@careratings.com

Relationship Contact
Name: Mr. Ramesh Bob
Contact no.: +91 - 40 - 4010 2030
Email ID: ramesh.bob@careratings.com

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Tokai Engineering Private Limited
May 05,2020

Ratings

Facilities	**Amount (Rs. Crore)**	**Rating[22]**	**Remarks**
Long Term Bank Facilities	7.00	**CARE C; Stable; ISSUER NOT COOPERATING* (Single C Outlook: Stable ISSUER NOT COOPERATING)**	Issuer not Cooperating; Revised from CARE B-; Stable; Issuer not Cooperating; on the basis of best available information
Short Term Bank Facilities	1.00	**CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING)**	Issuer not cooperating; Revised from CARE A4; Issuer not Cooperating; on the basis of best available information
Total	8.00 (Rupees Eight crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers
CARE had, vide its press release dated January 31,2019, placed the ratings of Tokai Engineering Private Limited under the 'issuer non-cooperating' category as Tokai Engineering Private Limited had failed to provide information for monitoring of the rating. Tokai Engineering Private Limited continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 28,2020, March 30,2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.
The rating has been revised by taking into account non-availability of information and no due-diligence conducted due to non-cooperation by Tokai Engineering Private Limited with CARE'S efforts to undertake a review of the rating outstanding. CARE views information availability risk as a key factor in its assessment of credit risk. The ratings assigned to the bank facilities of TEPL remained constrained by its small scale of operations coupled with operational losses and leveraged capital structure. The rating is further constrained by working capital intensive nature of operations coupled with stretched liquidity position and competitive nature of industry. The rating, however, draws comfort from experienced promoters.

Detailed description of the key rating drivers
Key rating weaknesses
Small scale of operations coupled with operational losses:
The scale of operations of TEPL stood small marked by total operating income (TOI) of Rs.23.16 crore for FY18 (refers to the period from April 1 to March 31). The small scale limits the company's financial flexibility in times of stress and deprives it of scale benefits. Further, the company incurred operational losses of Rs.1.38 crore for FY18.

Leveraged capital structure:
The capital structure of the company remained leveraged as on past three balance sheet date ended March 31, 2018 owing to high reliance on external borrowings to meet working capital requirements coupled with low net worth base.

Working capital intensive nature of operations coupled with stretched liquidity position:
The operations of the company stood working capital intensive marked by high operating cycle of around 107 days for FY18 on account of prolonged inventory period in form of raw material for smooth functioning of production process and work in progress inventory. The products manufactured by company are customized as per customer's specification which also requires design approvals from the customers. Further, the company requires clearance from its customers prior to delivery.

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*
**Issuer did not cooperate; Based on best available information*

Entailing these resulted into average inventory of 146 days for FY18. The same resulted into average collection period of 57 days for FY18. Further, low quick ratio as on the last three balance sheet dates reflects working capital intensive nature of operations

Competitive nature of industry:
TEPL faces direct competition from various organized players in the market due to low entry barriers and lower capital requirements. There are number of small and regional players and catering to the same market which can exert pressure on its margins.

Key rating strengths
Experienced Promoters:
TEPL is being managed by Mr Rajesh Khanna and his wife Mrs. Shilu Khanna. Both the directors are post graduates by qualification and have more than one decade of experience in manufacturing of jigs and fixtures through their association with TEPL. Prior to TEPL, Mr. Rajesh Khanna was associated with manufacturing companies for 20 years

Analytical Approach: Standalone

Applicable criteria
Policy in respect of Non-cooperation by issuer
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
CARE's Methodology for Manufacturing Sector
Criteria for Short Term Instruments

About the Company
Gurgaon (Haryana) based TEPL was incorporated on July 9, 2006. The company is currently being managed by Mr. Rajesh Khanna and Mrs. Shilu Khanna. TEPL is engaged in manufacturing of jigs and fixtures, testing machines, and special purpose machines. It mainly caters to automobile companies and the tenor of the orders undertaken by the company varies up to 4 months. The company has combined installed capacity to manufacture 800 units per annum as on as on March 31, 2017 from its manufacturing facility is located in Manesar, Gurgaon (Haryana). The major raw materials of the company are MS Steel, cylinders, pneumatic items like compressor etc which it procures from domestic manufacturers and wholesalers.

Non BFSI

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	17.72	23.16
PBILDT	2.27	-1.38
PAT	0.29	-2.66
Overall gearing (times)	3.65	-
Interest coverage (times)	2.20	-1.13

A: Audited

Status of non-cooperation with previous CRA: NA

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	4.00	CARE C; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B-; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	1.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	-	0.71	CARE C; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B-; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Fund-based - LT-Proposed fund based limits	-	-	-	2.29	CARE C; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B-; Stable; ISSUER NOT COOPERATING* on the basis of best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	4.00	CARE C; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B-; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (31-Jan-19)	1)CARE B-; Stable (14-Nov-17)
2.	Non-fund-based - ST-Bank Guarantees	ST	1.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE A4; ISSUER NOT COOPERATING* (31-Jan-19)	1)CARE A4 (14-Nov-17)
3.	Fund-based - LT-Term Loan	LT	0.71	CARE C; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B-; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (31-Jan-19)	1)CARE B-; Stable (14-Nov-17)
4.	Fund-based - LT-Proposed fund based limits	LT	2.29	CARE C; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B-; Stable; ISSUER NOT COOPERATING* on the basis of best available information	-	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (31-Jan-19)	1)CARE B-; Stable (14-Nov-17)

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Contact us

Media Contact
Name: Mr. Mradul Mishra
Contact no.: +91-22-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact
Name: Mr. Amit Jindal
Contact no.: +91- 11-4533 3228
Email ID: amit.jindal@careratings.com

Business Development Contact
Name: Ms. Swati Agrawal
Contact no.: +91-11-4533 3200
Email ID: swati.agrawal@careratings.com

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