

Shiv Prasad Enterprises

June 17, 2021

Rating

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Long Term Bank Facilities	1.35	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable; (Double B Minus; Outlook: Stable)
Short Term Bank Facilities	36.00	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	37.35 (Rs. Thirty-Seven Crore and Thirty-Five Lakhs Only)		

Details of instruments/facilities in Annexure I

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated May 05, 2020, placed the rating(s) of Shiv Prasad Enterprises (SPE) under the 'issuer non-cooperating' category as SPE 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. SPE continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 24, 2021 and April 13, 2021.

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 SPE 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

Please refer to PR dated [May 08, 2020](#)

Analytical approach- Combined

CARE has combined the risk profile of Shiv Prasad Enterprises (SPE), Shiv Prasad Eco Touchwood Private Limited (SPETPL) and Shree Shankar Vijay Timber Exports Private Limited (STEPL) to arrive at credit rating for Shiv Prasad Enterprises till FY18 when all financials available.

However, after FY19, the financials of Shiv Prasad Enterprises were not available owing to partnership nature of constitution, hence combined financials are only presented till FY18.

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

About the Company

Established in 1993, Shiv Prasad Enterprises (SPE) is engaged in the business of trading of teak wood (round wood logs). SPE procures entire teak wood via imports (approximately 95% from Burma) and sells it in domestic market majorly through auction where it invites its regular customers with whom the group has been dealing since past three decades. The firm caters to retailers & saw mills based out of Kerala, Andhra Pradesh, Karnataka and Mumbai.

Brief background of group company i.e. Shree Shankar Vijay Timber Exports (SSTEPL) and Shiv Prasad Eco Touchwood Private Limited (SPETPL)

SPE belongs to the Shiv Prasad group, founded by Mr Kirti Patel. The two other group entities (namely Shree Shankar Vijay Timber Exports Private Limited & Shiv Prasad Eco Touchwood Private Limited) are engaged in the trading of teak round logs and veneers. CARE has combined the business and financial risk profiles of all three entities to arrive at the ratings, as all of them are in the same line of business and are under the common management. A combined financial profile of all the three entities is shown later. Furthermore, Shiv Prasad Eco Touchwood Private Limited & Shree Shankar Vijay Timber Exports Private Limited have given corporate guarantee to the bank facilities of SPE.

Attribute ID	Brief Financials (Rs. crore) Combined	FY17 (A)	FY18 (A)
12	Total operating income	105.14	90.95
29	PBILDT	2.85	2.56
47	PAT	1.01	0.95
1090	Overall gearing (times)	1.23	0.31
1095	Interest coverage (times)	2.18	2.13

A: Audited

Attribute ID	Brief Financials (Rs. crore) – Standalone of SPE	FY17 (A)	FY18(A)
12	Total operating income	33.03	26.78
29	PBILDT	0.85	0.70
47	PAT	0.45	0.37
1090	Overall gearing (times)	1.47	0.33
1095	Interest coverage (times)	2.37	2.36

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: Annexure 3

Complexity level of various instruments rated for this company: Annexure 4

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	-	-	-	1.35	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	36.00	CARE A4; 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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Cash Credit	LT	1.35	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (08-May-20)	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (07-Feb-19)
2.	Non-fund-based - ST-Letter of credit	ST	36.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (08-May-20)	-	1)CARE A4; ISSUER NOT COOPERATING* (07-Feb-19)

*Issuer did not cooperate; Based on best available information

Annexure-3: Not applicable

Annexure 4: Complexity level of various instruments rated for this Firm

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Non-fund-based - ST-Letter of credit	Simple

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. Ruchi Sanghavi

+91-22-67543684

Email ID- ruchi.shroff@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 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.

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.

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