

Shiv Prasad Eco Touchwood Private Limited

June 17, 2021

Rating

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Short Term Bank Facilities	35.00	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	35.00 (Rs. Thirty-Five Crore 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 Eco Touchwood Private Limited (SPETPL) under the 'issuer non-cooperating' category as SPETPL 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. SPETPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 22, 2021 and April 11, 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).

Detailed description of the key rating drivers

Please refer to PR dated [May 05, 2020](#)

Analytical approach: Combined

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

However, after FY19, the financials of one of the group company namely Shiv Prasad Enterprises was 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

Shiv Prasad Eco Touchwood Private Limited (SPETPL), promoted by Mr Kirti Patel, is engaged in the manufacturing of natural wood veneers and trading of teak round logs. Though the company was incorporated in the year 2007, commercial operations started in the year 2009. The company earns the entire revenue from the domestic market wherein the logs are imported which forms approximately 95% of the total purchases. The teakwood is procured from Myanmar (Burma) through the intermediary, Shivah Sawa Shoji. The trading of round logs is carried out mainly on auction basis where it invites its regular customers with which the group is dealing since past three decades. The company 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 Enterprises (SEP)

SPETPL 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 Enterprises) are engaged in the trading of teak round logs and veneers. Furthermore, all the group companies share operational synergies in terms of common controlling office and have joint marketing channels in similar target markets. Furthermore, Shree Shankar Vijay Timber Exports Private Limited & Shiv Prasad Enterprises have given corporate guarantee to the bank facilities of SPETPL.

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 SPETPL	FY19 (A)	FY20 (A)
12	Total operating income	25.14	41.83
29	PBILDT	0.61	1.74
47	PAT	0.23	0.53
1090	Overall gearing (times)	1.38	1.62
1095	Interest coverage (times)	2.58	1.49

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
Non-fund-based - ST-Letter of credit	-	-	-	35.00	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.	Non-fund-based - ST-Letter of credit	ST	35.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (06-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 Company

Sr. No.	Name of the Instrument	Complexity Level
1.	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.

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