



Press Release

Arunachal Timber Traders Private Limited

September 21st, 2020

Ratings

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action
Long Term Bank Facilities – Cash Credit	4.50	IVR BB/Stable; ISSUER NOT COOPERATING* (IVR Double B with Stable outlook; ISSUER NOT COOPERATING)	Rating reaffirmed at IVR BB/Stable (IVR Double B Minus with Stable Outlook) and moved to ISSUER NOT COOPERATING Category
Short Term Bank Facilities – Foreign Letter of Credit	6.50	IVR A4; ISSUER NOT COOPERATING* (IVR Single A Four; ISSUER NOT COOPERATING)	Rating reaffirmed at IVR A4 and moved to ISSUER NOT COOPERATING Category
Total	11.00		

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating action is because of lack of adequate information regarding Arunachal Timber Traders Private Limited's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the proposed bank facilities, vide letter communications dated August 08th, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term & short term ratings for the bank loan facilities aggregating to INR11.00 Crore of Arunachal Timber Traders Private



Press Release

Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB/Stable; A4: Issuer Not Co-operating; based on best available information (IVR Double B with Stable Outlook; Single A Four: Issuer Not Co-operating); based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Trading Companies

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

Incorporated in August 1998, Arunachal Timber Traders Private Limited (ATTPL) took over the business of Arunachal Timber Traders (Proprietary firm) and is into importing and processing of timber. It has its operating offices in Delhi and Gujarat, while the processing unit is situated at Gandhidham, Gujarat.

Financials (Standalone)

(INR Crore)

For the year ended / As on	31-03-17	31-03-19
	Audited	Provisional
Total Operating Income	18.77	19.23
EBITDA	0.72	1.06
PAT	0.11	0.21
Tangible Net worth	4.87	4.85
Ratios		
PAT Margin	0.59	1.09
Overall Gearing Ratio	1.05	0.85

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



Press Release

Rating History for last three years:

S. No	Name of Instrument/ Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s)& Rating(s) assigned in 2019-20 (September 05 th , 2019)	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Long Term Bank Facilities – Cash Credit	Long Term	4.50	IVRBB /Stable (INC)	IVR BB/Stable	--	--
2.	Short Term Bank Facilities – Foreign Letter of Credit	Short Term	6.50	A4 (INC)	A4		

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

Name and Contact Details of the Rating Analyst:

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present.



Press Release

The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	-	-	-	4.50	IVR BB/Stable; ISSUER NOT COOPERATING*
Short Term Bank Facilities – Foreign Letter of Credit	-	-	-	6.50	IVR A4; ISSUER NOT COOPERATING*

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