



Press Release

Furniture Points

March 12, 2021

Ratings

Facilities	Amount (INR crore)	Current Ratings	Previous Ratings	Rating Action
Long Term Fund Based Facility - Cash Credit	6.50*	IVR B ISSUER NOT COOPERATING*** (IVR Single B ISSUER NOT COOPERATING)	IVR B+ / Stable Outlook; (IVR Single B Plus with Stable Outlook)	Revised and moved to ISSUER NOT COOPERATING
Proposed Long Term Fund Based Facility - Term Loan	1.00	IVR B ISSUER NOT COOPERATING*** (IVR Single B ISSUER NOT COOPERATING)	IVR B+ / Stable Outlook; (IVR Single B Plus with Stable Outlook)	Revised and moved to ISSUER NOT COOPERATING
Short Term Non-Fund Based Facility –Letter of Credit/ Bank Guarantee	2.50**	IVR A4 ISSUER NOT COOPERATING*** (IVR A Four ISSUER NOT COOPERATING)	IVR A4 (IVR A Four)	Revised and moved to ISSUER NOT COOPERATING
Total	10.00			

*Includes INR 2.55 Crore of proposed limit

**Includes INR 1.70 Crore of proposed limit

***Issuer not cooperating, based on best available information

Details of Facilities are in Annexure 1

Detailed Rationale

The aforesaid rating revision to the bank facilities of Furniture Points reflects lack of adequate information available about the performance of the company and 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 rating revision.



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Note on non-cooperation.

Infomerics has repeatedly followed up with the company to provide information to monitor the rating(s) vide e-mail January 05, 2021, January 12, 2021, January 22, 2021, February 03, 2021 and February 10, 2021 along with telephonic conversations. However, despite repeated requests, the company has failed to submit Audited financial statements for FY20 and other data for review.

Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the ratings assigned to the bank loan facilities of Furniture Points aggregating to INR10.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR B ISSUER NOT COOPERATING (pronounced IVR Single B ISSUER NOT COOPERATING) and IVR A4 ISSUER NOT COOPERATING. (pronounced IVR A Four ISSUER NOT COOPERATING)

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

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for construction companies

Financial Ratios & Interpretation (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by Clients.

About the Company

Furniture Points (FP) commenced operations as a sole proprietary concern in 1998 was primarily engaged in the business of wood trading initially. The business eventually moved from dealing in raw wood to furniture manufacturing. Thereafter, since 2004-05 the company diversified its portfolio and started participating for Railways contracts for construction and maintenance of roads, rails, foot over bridges (FOB), buildings etc., which is now its main business. Prabesh Kumar Singh is the founder of Furniture Points, FP is located in Bokaro, Jharkhand and almost all contracts come from south eastern railways, Adra.

Financials*



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(INR crore)

For the year ended / As on	31-03-18	31-03-19
	Audited	Audited
Total Operating Income	6.35	9.64
EBITDA	0.82	0.98
PAT	0.25	0.36
Total Debt	4.07	3.72
Tangible Net worth	1.64	1.84
Ratios		
a. EBIDTA Margin (in %)	12.89	10.20
b. PAT Margin (in %)	3.98	3.74
c. Overall Gearing ratio (x)	2.48	2.02

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Type	Current Rating (Year 2020-21)		Rating History for the past 3 years		
			Amount outstanding (INR crore)	Assigned Rating	Date(s) & Rating(s) assigned in 19-20(February 20, 2020)	Date(s) & Rating(s) assigned in 18-19	Date(s) & Rating(s) assigned in 17-18
1.	Long Term Fund Based Facilities - Cash Credit	Long Term	6.50*	IVR B ISSUER NOT COOPERATING	IVR B+/Stable Outlook	-	-
2.	Proposed Long Term Fund Based Facility - Term Loan	Long Term	1.00	IVR B ISSUER NOT COOPERATING	IVR B+/Stable Outlook	-	-
3	Short Term Non-Fund Based Facility – Letter of Credit/ Bank Guarantee	Short Term	2.50**	IVR A4 ISSUER NOT COOPERATING	IVR A4	-	-



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	Total		10.00				
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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

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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. 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.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facilities - Cash Credit	--	--	--	6.50*	IVR B ISSUER NOT COOPERATING
Proposed Long Term Fund Based Facility - Term Loan	--	--	--	1.00	IVR B ISSUER NOT COOPERATING
Short Term Non-Fund Based Facility –Letter of Credit/ Bank Guarantee	--	--	--	2.50**	IVR A4 ISSUER NOT COOPERATING

*Includes INR 2.55 Crore of proposed limit

**Includes INR 1.70 Crore of proposed limit