

B.K.Exports

Instrument	Amount In Rs Crore	Rating Action
Cash Credit	25.00	[ICRA]B-; revised from [ICRA]B

ICRA has revised the long-term rating assigned to Rs. 25.00 crore¹ cash credit limits of B.K.Exports (BKE) of [ICRA]B- (pronounced ICRA B minus)² from [ICRA]B (pronounced ICRA B).

The rating revision primarily factors in increased gearing levels to 10.29 times as on March 31, 2016 owing to withdrawal of partners capital of Rs 8.14 crore over the last four years. The rating is also constrained by weak financial profile of the firm characterized by modest coverage indicators with interest coverage ratio at 1.04 times, Debt/OPBDIT at 7.38 times for FY2016; high working capital intensity of operations on account of high receivables; vulnerability of the sales to the agro climatic conditions; and intense competition from other players in the region in the tobacco industry. The rating however favourably factors in the experience of the promoter in tobacco business; easy availability of tobacco on account of favourable location of Andhra Pradesh; and established relationship with customer mitigates as reflected by repeat orders.

Going forward, the ability of the firm to improve its capital structure while effectively managing the liquidity would remain the key rating sensitivities.

Firm Profile

B.K.Exports was set up in 2008 as a proprietorship concern by Mr Bellam Kotaiah. The firm is involved in trading of tobacco comprising FCV (Flue Cured Virginia) tobacco and burley tobacco. The firm procures FCV tobacco from Tobacco Board of Guntur and Karnataka through auction, while burley tobacco is purchased from farmers.

Recent Results

The firm reported an operating income of Rs.39.38 crore and profit after tax of Rs.0.01 crore in FY2016 as against the operating income of Rs.34.76 crore and profit after tax of Rs.0.06 crore in FY2015.

December, 2016

For further details please contact:

Analyst Contact:

Mr. K. Ravichandran (Tel. No. +91 44 45964301)

ravichandran@icraindia.com

Mr. R. Srinivasan (Tel. No. +91 44 4596315)

r.srinivasan@icraindia.com

Mr. Vinay Kumar G (Tel. No. +91 40 40676533)

vinay.g@icraindia.com

Mr. Srinivas S (Tel. No. +91 40 40676519)

srinivas.sulegama@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91 80 43326401)

jayantac@icraindia.com

¹ Rs. 1 crore = Rs. 100 lakh = Rs. 10 million

² For complete rating scale and definitions please refer to ICRA's website, www.icra.in, or other ICRA Rating Publications.



© Copyright, 2016, ICRA Limited. All Rights Reserved
Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500