

## Surya Vikas Plywood Limited

January 25, 2019

### Summary of rated instruments

| Instrument             | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action   |
|------------------------|-----------------------------------|----------------------------------|---|
| Fund-based             | 47.54                             | 47.54                            | [ICRA]D ISSUER NOT COOPERATING*; downgraded from [ICRA]B-(Stable) and moved to the 'Issuer Not Cooperating' category    |
| Unallocated Fund-based | 2.46                              | 2.46                             | [ICRA]D ISSUER NOT COOPERATING*; downgraded from [ICRA]B-(Stable)/A4 and moved to the 'Issuer Not Cooperating' category |
| <b>Total</b>           | <b>50.00</b>                      | <b>50.00</b>                     |   |

\* Issuer did not co-operate; based on the best available information

### Rationale

The revision in rating is on account of delay in repayment of term loan instalments owing to the stretched liquidity position of the firm. ICRA takes note of weak financial profile as reflected by highly leveraged capital structure and stretched debt coverage indicators. ICRA, however, takes note of the extensive experience of the promoters in the timber industry.

Going forward, the firm's ability to improve its liquidity position and service its debt in a timely manner will be the key rating sensitivity.

### Outlook: Not applicable

### Key rating drivers

### Credit strengths: Not applicable

### Credit challenges

**Stretched liquidity position resulted in delays in debt servicing** – There are delay in repayment of term loan instalments owing to the stretched liquidity position of the company.

### Liquidity position: Not applicable

### Analytical approach

| Analytical Approach             | Comments   |
|---------------------------------|--|
| Applicable Rating Methodologies | <a href="#">Corporate Credit Rating Methodology</a>            |
| Parent/Group Support            | Not applicable   |
| Consolidation /Standalone       | The ratings are based on the standalone profile of the company |

## About the company

Surya Vikas Plywood Limited (SVPL), the flagship company of the Jitendra Kijriwal Group, was incorporated in 2002 to carry out the business of manufacturing and trading of timber products. The company's product profile includes plywood, block board, flush doors, panel doors, shutter doors, resins, veneers, and other allied products. It is also engaged in fabric trading. The company's manufacturing facility is located at Yamuna Nagar, Haryana. The day-to-day operations are looked after by Mr. Jitendra Kejriwal, one of the directors of SVPL.

## Key financial indicators (Audited)

|                              | FY2015 | FY2016 |
|------------------------------|--------|--------|
| Operating Income (Rs. crore) | 52.87  | 59.33  |
| PAT (Rs. crore)              | -7.39  | -0.06  |
| OPBDIT/ OI (%)               | -3.59% | 8.93%  |
| RoCE (%)                     | -4.85% | 10.55% |
| Total Debt/ TNW (times)      | 74.83  | 89.65  |
| Total Debt/ OPBDITA (times)  | -25.02 | 9.75   |
| Interest Coverage (times)    | -0.36  | 0.96   |

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for last three years

| Current Rating (FY2019) |                  |                          |                                |                                | Chronology of Rating History for the past 3 years |           |
|-------------------------|------------------|--------------------------|--------------------------------|--------------------------------|---|-----------|
| Instrument              | Type             | Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Date & Rating in FY2019        | Date & Rating in FY2018                           |           |
|                         |                  |                          |                                |                                | January 2019                                      | July 2017 |
| 1 Cash Credit           | Long-term        | 20.00                    | -                              | [ICRA]D ISSUER NOT COOPERATING | [ICRA]B- (Stable)                                 |           |
| 2 Term Loan             | Long-term        | 27.54                    | 27.54                          | [ICRA]D ISSUER NOT COOPERATING | [ICRA]B- (Stable)                                 |           |
| 2 Unallocated           | Long/ Short Term | 2.46                     | -                              | [ICRA]D ISSUER NOT COOPERATING | [ICRA]B- (Stable)/A4                              |           |

## Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### Annexure-1: Instrument Details

| ISIN No | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook     |
|---------|-----------------|-----------------------------|-------------|---------------|--------------------------|--------------------------------|
| NA      | Cash Credit     | -                           | -           | -             | 20.00                    | [ICRA]D ISSUER NOT COOPERATING |
| NA      | Term Loan       | March 2015                  | -           | March 2021    | 27.54                    | [ICRA]D ISSUER NOT COOPERATING |
| NA      | Unallocated     | -                           | -           | -             | 2.46                     | [ICRA]D ISSUER NOT COOPERATING |

Source: SVPL

### Annexure-2: List of entities considered for consolidated analysis

| Company Name   | Ownership      | Consolidation Approach |
|----------------|----------------|------------------------|
| Not applicable | Not applicable | Not applicable         |

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