



Rating Rationale

Andaman Timber Company

13th January 2017

Brickwork Ratings reaffirms BWR B- / BWR A4 the ratings for the Bank Loan Facilities of Andaman Timber Company (ATC)

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based SOD Term Loan	3.50	3.50	Long Term	BWR B- Outlook: Stable	BWR B- Outlook: Stable
Non-Fund Based FLC	22.00	22.00	Short Term	BWR A4 Outlook: Stable	BWR A4 Outlook: Stable
Total	26.05	25.50	Rs.25.50 Crores (Rupees Twenty Five Crores and Fifty Lakhs Only)		

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial statements up to FY16, and publicly available information and information/clarifications provided by ATC

The ratings draw strength from the industry experience of the promoter in the business, long track record of the firm and established customer and Supplier relationships. The rating assigned is however constrained by its small scale of operations, low networth, high gearing, negative coverage ratios, inherent risk of proprietorship firm, and foreign currency price risks.



Rating Outlook: Stable

BWR believes the Andaman Timber Company business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

M/S Andaman Timber Company (ATC) is a proprietorship concern established in the year 1979. Mr. R Pandian is the Proprietor of the firm. ATC is located in Chennai, Tamil Nadu. ATC is engaged in mainly trading and processing of different types of timber Logs, timber products and sawn timber. The timber logs are imported mainly from Myanmar, Malaysia, Indonesia, African countries which is subsequently sized at its saw mill unit into various commercial sizes as per customers requirement and after processing them, sawn timber is sold to the domestic Players.

Company Financial Performance

ATC has reported a total operating income of Rs.29.45 Crs, in FY16 as against Rs.33.10 Crs in FY 15 and PAT of Rs.0.73 Crs in FY 15 as against Rs 0.33. Crs in FY 16

Rating History for the last three years

Sl. No	Instrument /Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1.	SOD	Long Term	3.50	BWR B-	-	30.10.2015 BWR B- (Outlook: Stable) / A4	Not rated
2.	FLC	Short Term	22.00	BWR A4			

Hyperlink/Reference to **applicable** **Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entities](#)



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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9, 30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.