Rating Rationale

Lakhi Timber Traders Pvt Ltd

11th January, 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Lakhi Timber Traders Pvt Ltd

Particulars

Facilities Availed	Sanctioned Limit (In Crs.)	Outstanding Amount (In Crs.)	Amount to be rated (In Crs.)	Tenure	Rating
Fund Based (FB)					
Cash Credit	3.00	3.00	3.00	Long Term	BWR B- (Pronounced as BWR B MINUS)
Non Fund Based (NFB)					
FLC	2.00	2.00	2.00	Short Term	BWR A4 (Pronounced as BWR A FOUR)
Total Limits (FB+NFB)	**5.00**	**5.00**	**5.00**		
Total Amount to be Rated	**INR Five Crores Only**				

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

Rationale/Description of Key Rating Drivers

BWR has essentially relied upon audited financial results of **Lakhi Timber Traders Pvt Ltd** upto FY16, projections till FY 17, publicly available information and information provided by the company.

The rating inter alia factors Promoter has more than a decade of experience in the same line of business, long standing relations with the customers and strategically located in Kirti Nagar Timber Market.

However, the rating is constrained by competitive and fragmented nature of industry, volatility in movement of traded goods prices, elongated conversion cycle and weak debt protection metrics.

About the Company

The management comprises of Sh. Hans Raj Pahwa, Director is having the experience in timber trading business since 1965. He is ably assisted by Sh.Raj Kumar Pahwa and Miss Dalip Kumar Pahwa.

The company is dealing in all type of plywood branded & non branded and laminate sheet of all leading brand like merino, greenply, century etc. Apart from plywood and laminates the company is also dealing in decorative décor and interior products like acrylic, pvc sheet and decorative panel etc.

Rating History for the last three years: (including withdrawn/suspended ratings)

Facility	Rating Assigned (2017)			Rating History		
	Tenor	(Rs. Crs)	Rating	2016	2015	2014
CC (Fund Based)	Long Term	3.00	BWR B- (Pronounced as BWR B MINUS) Outlook :Stable	NA	NA	NA
FLC (Non Fund Based)	Short Term	2.00	BWR A4(Pronounced as BWR A4)			

Hyperlink/Reference to Applicable Criteria

- General Criteria
- Approach to Financial Ratios
- Trading Entities
- Short Term Debt

For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:
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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.

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