



Rating Rationale

M/s Madhav Industries

6th September 2017

Brickwork Ratings has reviewed the Rating for the bank loan facilities of Rs. 12.00 Crs of M/s Madhav Industries. based on best available information, as the issuer did not cooperate. Accordingly the long term rating for the said instrument is Downgraded to BWR B- and Short term rating reaffirmed as A4.

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based Open Cash Credit	3.00	3.00	Long Term	BWR B Outlook: Stable	Issuer not Co-operating; BWR B- (Outlook : Stable) Downgraded
Non Fund Based ILC/FLC/Buyers Credit	9.00	9.00	Short Term	BWR A4	Issuer not Co-operating; BWR A4 (Reaffirmation)
Total	12.00	12.00	INR Twelve Crores Only		

*Issuer did not cooperate; Based on best available information

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

Long Term Rating Downgraded and Short term rating reaffirmed.

Nature of Non-co-operation:

The rating was due for a review in June 1, 2017 BWR took up with the issuer to provide required information over emails dated 2.6.2017, 14.6.2017, 19.6.2017, 14.8.2017, 21.8.2017, 28.8.2017, 29.8.2017 and 06.9.2017 and through telephone calls. The matter was also taken up with the Banker wide mail dated 30.8.2017 . No feedback was provided by the firm/bank . Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating.

Limitations of the rating:

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.



About the Firm

Madhav Industries was instituted in the year 2011 as partnership firm by Mr. Ramesh D Patel & the unit is located in Thuvakudi Industrial Area of Trichy, Tamil Nadu. The firm is engaged in Saw Milling, Trading of Timber & Retail and also deals in sized timber for interiors, exteriors, flooring, construction of bridges, railway sleepers, packing cases and others. the firm procures team from both international as well as domestic market depending on the market prices prevailing and whichever is advantageous for the unit. (information as available in our records during June 2016)

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

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History	
		Tenure	Amount (Rs Crs)	Rating	June 2016	2015
1	Open Cash Credit	Long Term	3.00	BWR B-	BWR B	Not Rated
2	FLC/ILC/Buyers Credit	Short Term	9.00	BWR A4	BWR A4	Not Rated
Total			12.00	INR Twelve Crores Only		

*Issuer did not Co-operate ; Based on best available information

Hyperlink/Reference to applicable Criteria / Policies

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-cooperation](#)
- [Manufacturing Companies](#)
- [Long Term Debt](#)

For any other criteria to be hyperlinks from website to be taken

Analytical Contacts	Media
S.Venkatesh Chief General Manager – Ratings analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

Annexure

Key Parameters	FY13 (Audited)	FY14 (Audited)	FY15 (Audited)
Net Sales	4.80	9.77	17.22
EBITDA	0.24	0.41	0.70
PAT	0.02	0.06	0.07
Tangible Networth	0.80	1.20	2.02
Total Debt: Tangible Networth	2.16	2.22	3.31
Current Ratio	1.30	1.42	1.28

Note : the above data is based on the last rating dated June 1, 2016 as the firm has not provided any further financial information for the review.

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.