

**Rating Rationale**

**Trivedi Corp Pvt Ltd**

**25 July 2019**

**Brickwork Ratings upgraded/reaffirmed the ratings for the Bank Loan Facilities of Rs. 20.84 Crores of Trivedi Corp Pvt Ltd. ('TCPL' or 'The Company')**

**Particulars**

Facility	Amount (Rs. Crs)		Tenure	Rating*	
	Previous	Present		Previous (April, 2018)	Present
<b>Fund Based</b>	27.12	18.74	Long Term	<b>BWR B-</b> (Pronounced as BWR Single B Minus) <b>Outlook: Stable</b>	<b>BWR B+</b> (Pronounced as BWR Single B Plus) <b>Outlook: Stable</b> (Upgraded)
<b>Non-fund Based</b>	2.60	2.10	Short Term	<b>BWR A4</b> (Pronounced as BWR A Four)	<b>BWR A4</b> (Pronounced as BWR A Four) (Reaffirmed)
<b>Total</b>	<b>29.72</b>	<b>20.84</b>	<b>Rupees Twenty Crores and Eighty Four Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings  
Complete details of Bank facilities is provided in Annexure-I

**Ratings:** Long term rating upgraded and Short term rating reaffirmed.

**Rationale/Description of Key Rating Drivers/Rating sensitivities:**

BWR has essentially relied upon the company's audited financial results of FY16 to FY18, provisional financial results of FY19, publicly available information and clarifications/information provided by the management.

The ratings essentially captures the experience of the management, wide geographical presence of the company and wide product portfolio. The rating is, however, constrained by modest scale of operations of the company, modest liquidity position and risk associated with the availability of required raw material.

Going forward, the ability of the company to increase its scale of operations, to improve its profitability and to manage its working capital efficiently shall be the key rating sensitivities.

**Description of Key Rating Drivers:**

**Credit Strengths:**

- **Management expertise:** Mr. Kiran Trivedi has a wide experience of decades in the industry. Mr. Virendra Trivedi, has been managing the business for more than 38 years, and Mr. Manan Trivedi has an experience of 9 years.
- **Wide geographical presence:** The company currently has its presence across Gujarat, Maharashtra, Rajasthan. This mitigates the risk of geographic concentration.
- **Wide product portfolio with customized offerings:** The company has a wide product portfolio with blocks, artistic monuments and polished slabs which the company caters to the construction contractors, developers, architects and designers. Besides, these products are made out of many types of stones, viz, granite, marble, limestone, sandstone, quartz, etc. In addition to this, it also offers customized offerings to its clients. These clients provide advances against the orders placed depending upon the business terms agreed upon.

**Credit risks:**

- **Modest scale of operations in the intensely competitive the industry:** Business risk profile is constrained by small scale of operations as reflected in Total Operating Income of Rs 43.01 crore in FY19 (Provisional). The Scale is constrained because of intense competition in the industry with the presence of large number of players.

- Modest liquidity position as reflected by current ratio of 1.20 in FY19 (Provisional).
- **Risk associated with the availability of raw material:** The operations of TCPL are highly dependent on the availability and timely sourcing of raw material. TCPL's raw material procurement policy is based on the requirement of the projects and it procures from various places, viz. Rajasthan (sandstone) and South India (granite block), Italy (pertichino stone, limestone and white marble) and Portugal (pink marble).

**Liquidity position:**

The liquidity position of the company is modest in FY19. The company has adequate bank facilities sanctioned to manage its operations.

**Analytical Approach:**

While assigning the Ratings, BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

**Rating Outlook: Stable**

BWR believes the **Trivedi Corp Pvt Ltd's** 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:**

Trivedi Corp Private Limited was incorporated in 1991 as Trivedi Crafts Private Limited and later changed its name to 'Trivedi Corp Private Limited' in 2001. TCPL is a private limited company promoted by the Trivedi family based in Ahmedabad (Gujarat). TCPL is engaged in the processing & designing of marble, granite, limestone, sandstone and various other stones into blocks, artistic monuments and polished slabs. The products are of premium range and find application in designing of buildings, homes, religious monuments, etc. Some of the fine stone work being produced at this factory includes statues, profiled domes, carved pillars, arches, architectural elements, engraved panels, inlay work, relief work, moldings, etc.

**Company Financial Performance:**

In FY19 (Provisional), the company has recorded a TOI of Rs. 43.01 Crs against a TOI of Rs. 16.23 Crs in FY18. The company has recorded a PAT of Rs. 3.60 Crs in FY19 (Provisional) against a PAT of Rs. 15.20 Crs in FY18.

**Rating History for the last three years:**

Sl. No.	Instrument /Facility	Current Rating (2019)			Rating History*		
		Type	Amount (Rs Crs)	Rating	13-Apr-2018	2017	07-Apr-2016
1	Fund Based	Long Term	18.74	<b>BWR B+</b> (Pronounced as BWR Single B Plus) <b>Outlook: Stable</b> (Upgraded)	<b>BWR B-</b> (Pronounced as BWR Single B Minus) <b>Outlook: Stable</b>	NA	<b>BWR B-</b> (Pronounced as BWR Single B Minus) <b>Outlook: Stable</b>
2	Non Fund Based	Short Term	2.10	<b>BWR A4</b> (Pronounced as BWR A Four) (Reaffirmed)	<b>BWR A4</b> (Pronounced as BWR A Four)	NA	<b>BWR A4</b> (Pronounced as BWR A Four)
<b>Total : Rs. 20.84 Crs (Rupees Twenty Crores and Eighty Four Lakhs Only)</b>							

\*The rating was transferred to not reviewed category on 15-Jul-2019.

**Status of non-cooperation with previous CRA:** CRISIL vide its press release dated 27 Nov 2018 has migrated the rating on bank facilities of TCPL to Issuer not cooperating category on account of non cooperation from the issuer.

**Any other information: - NA**

### Key Financial Indicators

Key Financial Figures				
Particulars	Unit	FY17 (Audited)	FY18 (Audited)	FY19 (Provisional)
Operating Income	Rs. Crores	33.83	16.23	43.01
EBITDA	Rs. Crores	9.37	1.35	11.33
PAT	Rs. Crores	0.43	15.20	3.60
Tangible Net Worth	Rs. Crores	25.10	40.29	43.89
Total Debt	Rs. Crores	38.48	24.76	23.48
Total Debt : Equity	Times	1.53	0.61	0.53
Current Ratio	Times	0.91	1.10	1.20

### Trivedi Corp Pvt Ltd

#### Annexure-I

#### Details of Bank Facilities

₹ Crores

Name of Facility	Tenure	Previous Limits (April, 2018)	Present Limits
Cash Credit	Long Term	10.00	10.00
Sublimit of CC: EPC/PCFC/FBD/EBR	Long Term	(5.00)	(5.00)
WC Term Loan	Long Term	12.12	8.74
WC Demand Loan	Long Term	5.00	-
NFBWC	Short Term	2.00	2.00
Sub limit: Bank Guarantee	Short Term	-	(5.00)
Sub limit: Letter of Credit	Short Term	(2.00)	-
CEL	Short Term	0.60	0.10
Total		29.72	20.84

#### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

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#### About Brickwork Ratings

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