

September 27, 2010

**CARE ASSIGNS 'CARE B' AND 'PR4' RATINGS TO BANK FACILITIES OF  
GREEN GOLD TIMBERS PVT. LTD.**

**Ratings**

Facilities	Amount (Rs. Crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	3.00	'CARE B' (Single B)	Assigned
Short-term Bank Facilities	8.00	'PR4' (PR Four)	Assigned
<b>Total Facilities</b>	<b>11.00</b>		

**Rating Rationale**

The ratings are constrained by Green Gold Timbers Pvt. Ltd's (GGTPL's) small scale of operations, weak financial risk profile marked by very low margins, small net worth and high gearing, project risk, susceptibility of its margins to fluctuations in foreign currency exchange rate and risks relating to regulatory environment and highly competitive nature of the industry. The ratings are further constrained by modest corporate governance practices and instances of delay in debt servicing during FY10 owing to stretched liquidity. These constraints far outweigh the promoters' vast experience in the timber industry.

Increase in scale of operations coupled with significant improvement in profitability would remain the key rating sensitivities.

**Company Profile**

GGTPL, incorporated in October 1998, is a small-sized company promoted by Mr. Akhilesh Manglik who has vast experience in the timber industry. It is engaged in the import of round timber logs which are subsequently sawn and sized at its saw mill into various commercial sizes as per the requirement of its customers. Its main facilities are located at Gandhidham in Kutch District of Gujarat, near to the Kandla port for facilitating easy imports of timber. As on March 31, 2010 it had a total sawing capacity of 2,265 cubic meters (CMT) per month.

<sup>1</sup> complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications



*Press Release*

---

Total operating income of GGTPPL which grew at a CAGR of 12.20% during FY07-10 grew by 12.68% to Rs.42.02 crore in FY10 on the back of steady growth in sales quantity of timber. As against a PAT of Rs.0.02 crore in FY09 it earned a PAT of 0.05 crore in FY10.

**Analyst Contact**

Name: Yogesh Shah

Tel # 079-40265603

Mobile # +91 94288 13912

Email: [yogesh.shah@careratings.com](mailto:yogesh.shah@careratings.com)

*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

**HEAD OFFICE: MUMBAI**

**Mr. D.R. Dogra**

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

**Mr. Rajesh Mokashi**

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

**Mr. Ankur Sachdeva**

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,  
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

**Website: www.careratings.com**

**OFFICES**

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, <b>Ahmedabad - 380 015.</b> Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b> Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail :swati.agrawal@careratings.com</p>