

**April 16, 2015**

Proposed Facilities	Amount (Rs. Crore)	Rating
Term Loan	20.00	SMERA B-/Stable (Assigned)
Cash Credit	7.50	SMERA B-/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B-** (read as **SMERA single B minus**)' to the Rs.27.50 crore bank facilities of Deveer Decor Private Limited (DDPL). The outlook is '**Stable**'. The rating is constrained by the company's exposure to project implementation risk. However, the rating is supported by the company's experienced management. The rating also draws comfort from the assured off-take for the company's products.

DDPL, incorporated in 2014, is a Pune-based company established to undertake manufacturing of bagasse-based particle boards. DDPL proposes to set up a manufacturing unit in Tembhurni MIDC. The total cost of the project is ~Rs.31.11 crore, which is likely to be funded through term loan of Rs.20.00 crore (not yet sanctioned) and promoters' funds of Rs.11.11 crore. The company is exposed to project implementation risk as the construction of the factory building is at the nascent stage. DDPL expects to commence commercial operations in April 2016; SMERA believes delays in project implementation will have an adverse impact on the debt servicing ability of the company.

DDPL benefits from its experienced management. Mr. Devichand K. Jain and Mr. Viren Jain, directors of DDPL, have around 10 years of experience in the furniture business. DDPL is poised to benefit from the assured off-take of its products by its group entity viz. Devikkesh Novamate Boards Private Limited, which undertakes manufacturing of laminated boards.

#### **Outlook: Stable**

DDPL's rating has a 'Stable' outlook. The outlook may be revised to 'Positive' in case the company generates healthy cash flows from operations while achieving a healthy financial risk profile. The outlook may be revised to 'Negative' in case of significant delays in implementation of the ongoing project.

#### **About the company**

DDPL, incorporated in 2014, is a Pune-based company promoted by Mr. Devichand K. Jain and Mr. Viren R. Jain. DDPL was established to undertake manufacturing of bagasse-based particle boards. The company is setting up a factory unit in Tembhurni MIDC (Maharashtra). The commercial operations are likely to begin in April 2016.

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SMERA RATINGS LIMITED

**Deveer Decor Private Limited  
(DDPL)****Rating  
Rationale**

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