

July 07, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	1.12	SMERA BB/Stable (Assigned)
Term Loan - (Proposed)	1.60	SMERA BB/Stable (Assigned)
Over Draft	3.75	SMERA BB/Stable (Assigned)
Letter of Credit	2.25	SMERA A4+ (Assigned)

SMERA has assigned a long term rating of '**SMERA BB**' (**read as SMERA double B**) and short term rating of '**SMERA A4+**' (**read as SMERA A four plus**) to the above mentioned bank facilities of Priyadarshini Filaments Private Limited (PFPL). The outlook is '**Stable**'. The rating reflects the extensive experience of the promoters and long track record of operations. However, the rating is constrained by the company's modest scale of operations in an intensely competitive HDPE monofilament fabric industry and moderate financial risk profile marked by low interest coverage ratio.

Outlook: Stable

SMERA believes that PFPL will continue to benefit over the medium term from the long track record of operations. The outlook may be revised to 'Positive' if the company's scale of operations increases substantially with improvement in its operating profitability. Conversely, the outlook may be revised to 'Negative' if the company records lower-than-expected cash accruals or in case of stretch in working capital requirements leading to deterioration in the financial risk profile.

About the Company

PFPL, incorporated in 1988 is engaged in the manufacture of HDPE/PP monofilament mesh fabrics, laminated and unlaminated woven bags, knitted sacks, shading nets among others. The company is headed by Mr. Vivek Prabhu, Managing Director.

The company reported (profit after tax) PAT of Rs.0.24 crore on operating income of Rs.27.54 crore for FY2013-14, as compared with PAT of Rs.0.13 crore on operating income of Rs.25.83 crore for FY2012-13.

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