

August 12, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	4.00	SMERA BB/Stable (Assigned)
Letter of Credit	21.00	SMERA A4+ (Assigned)
Proposed Cash Credit	0.20	SMERA BB/Stable (Assigned)

SMERA has assigned ratings of '**SMERA BB**' (read as **SMERA double B**) and **SMERA A4+** (read as **SMERA A four plus**) to the Rs.25.20 crore bank facilities of Kaithal Timbers Private Limited (KTPL). The outlook is '**Stable**'. The ratings are supported by the company's experienced management and healthy financial risk profile. However, the ratings are constrained by the company's exposure to intense competitive pressure and exposure to foreign exchange fluctuation risk.

Outlook: Stable

SMERA believes KTPL will maintain its healthy business risk profile in the medium term on the back of established operations and long standing industry experience of the promoters. The outlook may be revised to 'Positive' in case of significant improvement in profitability and accruals. Conversely, the outlook may be revised to 'Negative' in case of significant deterioration in profitability and accruals.

Rating sensitivity factors

- Managing incremental working capital
- Losses due to foreign exchange fluctuation
- Debt funded capex

About the Company

KTPL a Karnal-based company established in 2006 by Mr. Pramod Bansal and Mr. Mohinder Bansal. The company is engaged in trading and sawing of timber logs at its facility at Karnal, Haryana.

For FY2013-14, KTPL reported profit after tax (PAT) of Rs.0.35 crore on net sales of Rs.95.69 crore, as compared with PAT of Rs.0.30 crore on net sales of Rs.80.01 crore for FY 2012-13. The company's net worth stood at Rs.8.03 crore as on March 31, 2014, as compared with Rs.6.62 crore a year earlier.



Kaithal Timbers Private Limited (KTPL)

*Rating
Rationale*

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-011-4973 1312 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.