

April 11, 2016

Facility	Amount (Rs. Crore)	Rating
<b>Cash Credit</b>	<b>5.00</b>	<b>SMERA B/Stable (Assigned)</b>

SMERA has assigned rating of '**SMERA B**' (**read as SMERA B**) to the Rs.5.00 crore long-term (fund-based) bank facility of Pragya Wood Private Limited (PWPL). The outlook is '**Stable**'. The rating is constrained by the company's small scale of operations, weak financial risk profile and highly fragmented nature of industry marked by intense competition. However, the aforementioned weaknesses are partially offset by the experienced management and established relations of the company with customers and suppliers.

### Outlook - Stable

SMERA believes PWPL will maintain a moderate business risk profile in the medium term owing to its established operations and extensive experience of the management. The outlook may be revised to 'Positive' in case of improvement in operations, profitability and net worth. Conversely, the outlook may be revised to 'Negative' if the financial risk profile further deteriorates.

### Rating Sensitivity Factors

- Scaling up of operations while managing working capital funds
- Improvement in the financial risk profile

### About the Company

The Maharashtra-based, PWPL, established in 2008 was promoted by Mr. Vivek Patel and Mr. Kriti Patel. The company is engaged in the sawing of timber.

For FY2014–15, the company reported profit after tax (PAT) of Rs.0.11 crore on operating income of Rs.22.54 crore, as compared with profit after tax (PAT) of Rs.0.12 crore on operating income of Rs.11.68 crore in FY2014. The net worth stood at Rs.1.12 crore as on March 31, 2015 against Rs.1.03 crore a year earlier.

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