

April 11, 2016

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

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.

Disclaimer: A 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.



SMERA RATINGS LIMITED

Pragya Wood Private Limited (PWPL)

*Rating
Rationale***Contact List:**

Media/Business Development	Analytical Contact	Rating Desk
Suman M National Sales Head – Emerging Corporate Group Tel No: 022 67141151 Cell: 9892306888 Email: suman.m@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

Disclaimer: A 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.