

September 28, 2015

| Facilities | Amount (Rs. Crore) | Ratings |
|----------------|--------------------|---------------------------|
| Cash Credit | 2.00 | SMERA B/Stable (Assigned) |
| Term Loan | 7.00 | SMERA B/Stable (Assigned) |
| Bank Guarantee | 2.00 | SMERA A4 (Assigned) |

SMERA has assigned ratings of '**SMERA B (read as SMERA single B)**' and '**SMERA A4 (read as SMERA A four)**' to the above mentioned bank facilities of Tirupati Balaji Cotfab Private Limited (TBCFPL). The outlook is '**Stable**'. The ratings are constrained by the company's short track record of operations resulting in a weak financial risk profile and weak liquidity position. However, the ratings derive comfort from the company's experienced management and infusion of funds by way of interest-bearing unsecured loans to repay bank debt.

Rating Sensitivity Factors

- Timely infusion of funds by the promoters
- Achieving envisaged sales and profitability
- Working capital management

Outlook: Stable

SMERA believes the outlook of the company will remain stable over the medium term on account of experienced management and timely infusion of funds by the promoters. The outlook may be revised to 'Positive' in case the company achieves higher than expected revenues while maintaining profitability and capital structure. Conversely, the outlook may be revised to 'Negative' in case of lower than expected cash accruals resulting in deterioration in the capital structure and stretch in liquidity profile.

About the company

TBCFPL, incorporated in October 2012, is a Gujarat-based company promoted by Mr. Babubhai A. Patel, Mr. Mahendrabhai Patel and Mr. Prashantbhai Patel. The company manufactures fabric and also undertakes job works for textile companies such as Mafatlal Industries Limited and Arvind Limited. TBCPL has a weaving unit in Kalol, Gujarat with an installed capacity of 5000 meters per day.

For FY2014-15, TBCFPL reported net loss of Rs.0.56 crore on operating income of Rs.3.48 crore, as compared with net loss of Rs.0.20 crore on operating income of Rs.1.37crore in the previous year.

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SMERA RATINGS LIMITED

**Tirupati Balaji Cotfab Private Limited
(TBCFPL)****Rating
Rationale****Contact List:**

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