

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.1.37 crore in the previous year.

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.

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	Vinay Chhawchharia Associate Vice President- Corporate Ratings Tel: +91-22-6714 1156 Email: vinay.chhawchharia@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.