

July 11, 2013 - Mumbai

Facilities/Instruments	Amount (Rs. Crores)	Rating
Cash Credit	19.00	SMERA D (Assigned)
Packing Credit	11.00	SMERA D (Assigned)
Export Project Cash Flow Deficit Finance	36.15	SMERA D (Assigned)
Letter of Credit	20.00	SMERA D (Assigned)
Bank Guarantee	20.00	SMERA D (Assigned)
Total	106.15	

SMERA has assigned a rating of '**SMERA D**' to Titanium Tantalum Products Limited's (TTPL) Rs.106.15 crores bank facilities. The rating reflects delay in debt servicing resulting from the company's weak liquidity position. The rating also reflects TTPL's small scale of operations, high working capital intensive operations, intensely competitive industry and a weak financial risk profile, marked by a low net worth base, high leverage and weak debt protection metrics.

The aforementioned weaknesses are partially offset by the company's long track record of operations, promoter's long standing experience and technical competence in the business.

About the Company

TTPL was incorporated in 1981 by Dr. R. Thangappan. The company designs, manufactures and supplies various chemical equipments (reactors, pressure vessels, heat exchangers, pumps & blowers, anodes, valves, pipes & pipe fittings, electrolyzers, electro chlorination systems, process plants and components) made of ferrous, nickel, nickel based alloys, noble metals (including titanium, tantalum, molybdenum, niobium & zirconium) and their alloys. The company's R&D facility is approved by the GOI.

For FY2011-12, TTPL reported PAT of Rs.0.76 crores on operating income of Rs.47.07 crores as compared with PAT of Rs.1.05 crores on operating income of Rs.73.54 crores for FY2010-11. For 1HFY2013, TTPL reported net loss of Rs.2.31 crores on operating income of Rs.27.23 crores as compared with net loss of Rs.2.97 crores on operating income of Rs.18.39 crores for the corresponding period in the previous year.

Contact List:

Media/Business Development	Analytical Contacts	Rating Desk
Mr. Sanjay Kher Head - Sales Corporate Ratings Tel : +91-22-67141193 Cell : +91-9819136541 Email : sanjay.kher@smera.in Web: www.smera.in	Mr. Umesh Nihalani Head - Corporate Ratings Tel: +91-22-67141106 Email: umesh.nihalani@smera.in	Tel: +91-22-67141170 Email: ratingdesk@smera.in

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