

SEPTEMBER 07, 2015

CARE ASSIGNS 'CARE BBB+/CARE A2+' RATING TO BANK FACILITIES OF CENTUARY FIBRE PLATES PRIVATE LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	11.50	CARE BBB+ (Triple B Plus)	Assigned
Short-term Bank Facilities	1.10	CARE A2+ (A Two Plus)	Assigned
Total Facilities	12.60		

Rating Rationale

The ratings assigned to the bank facilities of Centuary Fibre Plates Private Limited (CFPPL) take into account promoters' extensive industry experience, strong market position in the Indian mattress industry along with wide distribution network, comfortable profit margins, above average capital structure and debt coverage indicators, comfortable liquidity and low working capital utilisation. The ratings are, however, constrained by the moderate scale of operation, susceptibility of its profitability to volatility in raw material prices and a highly fragmented and competitive mattress industry. The ratings further take into account the ongoing project implementation risk for new manufacturing unit in Bhubaneswar. The ability of the company to improve the scale of operations, sustain profitability margins and complete the new manufacturing facility without cost and time overruns are the key rating sensitivities.

Background

CFPPL, incorporated in 1986 by Mr Bhagwandas Malani and his family members, is engaged in the manufacturing of rubberised coir mattresses, polyurethane (PU) foam and spring mattresses. It sells its mattress under the brand name of 'Centuary' and 'Sure-Rest' and is headquartered in Hyderabad, Telangana.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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