

April 12, 2013

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF
KHOSLA PROFIL PVT LTD**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	22.44 (22.44)	CARE BBB- (Triple B Minus)	Reaffirmed
Short-term Bank Facilities	28.50 (28.50)	CARE A3 (A Three)	Reaffirmed
Total Facilities	50.94 (50.94)		

Rating Rationale

The ratings of Khosla Profil Private Limited (KPPL) continue to derive strength from the experience of the promoters in the technical textile business, moderate debt coverage indicators and diversified product profile.

The ratings, however, are constrained by relatively small scale of operations, susceptibility of profitability margins to continuation of export incentives, volatility in the prices of cotton and polyester and risk of foreign exchange movement imparting volatility to the profitability.

The ability to scale up operations and achieve higher profitability margins amidst external environment characterised by increased volatility in prices of cotton and polyester remain the key rating sensitivities.

Background

Khosla Profil Pvt Ltd (KPPL) started operations in 1979 and was established by Mr Pramod Khosla and his family members. KPPL is engaged in the manufacture of range of products including fabrics for (a) filtration, (b) mechanical rubber goods such as conveyor beltings, tyres, rubber sheets for reinforcement and impression, and (c) coated, dyed, finished and grey fabrics for outdoor uses such as awnings, tents, truck covers, etc; which are made from cotton, poly-cotton, polypropylene (PP), polyester, nylon, etc. The company has a presence right from weaving (filter fabrics), dyeing/processing of the fabrics to made ups (filtration bags). The end-user industries which use the products manufactured by KPPL include mining and metals, pharmaceuticals, automobiles, oil refineries, petrochemicals, etc. During FY12 (refers to the period April 01 to March 31), exports constituted around 65% of net sales of KPPL. It sells its products in over 40 countries across the world including U.S.A., Europe, Australia, etc. It has an aggregate installed capacity of 98 looms spread over two units at Wada, Thane; Maharashtra.

As per audited results for FY12, KPPL reported total net sales of Rs.85.23 crore and PAT of Rs.3.25 crore. During FY13, as on February 28, 2013; KPPL has achieved net sales of Rs.88.10 crore.

Analyst Contact

Name: Pulkit Agarwal

Tel # 022-67543505

Email: pulkit.agarwal@careratings.com

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

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.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Mobile : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Mobile +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Vice President – Banks & Financial Services

Mobile: +91-9819698985

Email ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LTD

HEAD OFFICE 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 | Tel: +91-022- 6754 3456 | E-mail: care@careratings.com |

Fax: +91-022- 6754 3457.

KOLKATA | **Ms. Priti Agarwal** | Cell: +91-98319 67110 | Tel: +91-33- 4018 1600/ 1602 |

E- mail: priti.agarwal@careratings.com | 3rd Fl., Prasad Chambers (Shagun Mall Bldg), 10A, Shakespeare Sarani, Kolkata -700 071

CHENNAI | **Mr. V Pradeep Kumar** | Cell: +91 9840754521 | Tel: +91-44-2849 7812/2849 0811 | Fax: +91-44-2849 0876 | Email: pradeep.kumar@careratings.com | Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002

AHMEDABAD | **Mr. Mehul Pandya** | Cell: +91-98242 56265 | Tel: +91-79-40265656 | Fax: +91-79-40265657 | E-mail:mehul.pandya@careratings.com | 32, Titanium, Prahaladnagar Corporate Road, Satellite, Ahmedabad - 380 015.

NEW DELHI | **Ms. Swati Agrawal** | Cell: +91-98117 45677 | Tel: +91- 11- 2331 8701/ 2371 6199 | E-mail: swati.agrawal@careratings.com | 3rd Floor, B -47, Inner Circle, Near Plaza Cinema, Connaught Place, New Delhi - 110 001.

BENGALURU | **Mr. Dinesh Sharma** | Cell: +91 9900041975| Tel: +91-80-22117140 | E-mail: dinesh.sharma@careratings.com | Unit No. 8, I floor, Commander's Place, No. 6, Raja Ram Mohan Roy Road, (Opp. P F Office), Richmond Circle, Bangalore - 560 025.

HYDERABAD | **Mr. Saikat Roy** || Tel: +91-40-40102030 |

E-mail: saikat..roy@careratings.com | 401, Ashoka Scintilla | 3-6-520, Himayat Nagar | Hyderabad - 500 029.

PUNE | **Mr. Rahul Patni** | Cell: +91-78754 33355 | Tel: +91-20- 4000 9000 |

E-mail: rahul.patni@careratings.com | 9th Floor, Pride Kumar Senate, Plot No. 970, Bhamburda, Senapati Bapat Road, Shivaji Nagar, Pune - 411 015.

JAIPUR | **Mr. Rahul Jain** | Cell: +91-9314921496| Tel: +91-0141-4020213/14 |

E-mail: rahul.jain@careratings.com |304, Pashupati Akshat Height, s Plot No. D-91, Madho Singh Road, Near Collectorate Circle, Bani Park , Jaipur – 302016.