Press Release

March 29, 2011

CARE ASSIGNS 'CARE C' AND 'PR4' RATINGS TO THE BANK FACILITIES OF ORIENTAL TRIMEX LTD.

Rating

Facilities	Amount (Rs. crore)	Rating[1]	Remarks
Long-term Bank Facilities	57.76	**CARE C (Single C)**	Assigned
Short-term Bank Facilities	19.25	**PR4 (PR Four)**	Assigned
Total Facilities	**77.01**		

Rating Rationale

The ratings are constrained by instances of delays in debt servicing in the recent past, working-capital intensive business with rising level of debtors beyond six months, low level of profitability and cash accruals leading to weak coverage ratios and vulnerability of profitability to exchange rate fluctuations. The ratings also consider strong correlation of business to cyclicality in the real estate sector and fragmented nature of the industry comprising many small players. The ratings factor in the experience of the promoters in the marble processing industry and well-spread presence in the domestic market with manufacturing units in northern and southern regions.

Going forward, increase in profitability and cash accruals and efficient working capital management would be the key rating sensitivities.

Company Profile

OTL was incorporated on April 22, 1996 as a private limited company and was converted into a public limited company on February 06, 2001. OTL is promoted by Mr. Rajesh Punia and Mrs. Savita Punia and is engaged in the business of cutting, polishing and processing of imported and indigenous marble, trading of decorative stones including granite and processing thereof. The installed capacity as on March 31, 2010 was 45,470 Million Tonne Per Annum (MTPA) comprising marble processing units at Greater Noida (25,200 MTPA) and Gummidipoondi (12,600 MTPA), Tamil Nadu. During FY11, OTL has set up its third marble processing unit at Singur, West Bengal, with a capacity of 12,600 MTPA.

During FY10, OTL reported Total Operating Income (TOI) of Rs.132.1 cr and earned PAT of Rs.2.7 cr. During 9MFY11, the company reported TOI of Rs.100 cr and earned PAT of Rs.2.4 cr.

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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.

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

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