

DECEMBER 15, 2016

CARE REVISES RATINGS ASSIGNED TO BANK FACILITIES OF SHRI JAGDAMBA POLYMERS LIMITED

Ratings

Facilities	Amount (Rs. Crore)	Ratings ¹	Remarks
Long term Bank Facilities	29.55 (enhanced from Rs.26.18 Crore)	CARE BBB (Triple B; Outlook: Stable)	Revised from CARE BBB- (Triple B Minus)
Short term Bank Facilities	24.00 (reduced from Rs.30.50 Crore)	CARE A3+ (A Three Plus)	Revised from CARE A3 (A Three)
Long term/ Short term Bank Facilities	13.00	CARE BBB/CARE A3+ (Triple B; Outlook: Stable/ A Three Plus)	Assigned
Total	66.55 (Rupees Sixty Six crore and Fifty Five lakh Only)		

Rating Rationale

The revision in ratings assigned to the bank facilities of ShriJagdamba Polymers Limited (SJPL) takes into account the steady improvement in its financial risk profile marked by consistent growth in total operating income along with improving profitability, leverage and debt coverage indicators over past three years ended FY16 (refers to period April 1 to March 31) and during H1FY17.

Moreover, the ratings continue to derive strength from its experienced promoters, SJPL's long standing track record of operation in woven fabric manufacturing and established relationship with its overseas customers.

The ratings, however, continue to be constrained by its modest scale of operations, susceptibility of its profitability to volatile raw material prices and foreign exchange rates and its presence in the highly fragmented and competitive woven fabric industry which restricts its profitability margin.

The ability of SJPL to further improve its scale of operation while maintaining its profitability in the light of volatile raw material prices and effective management of its working capital would be the key rating sensitivities.

Background

Incorporated in May 1985, SJPL is promoted by Mr.RamakantBhojnagarwalla and his family members. SJPL is engaged in manufacturing of polypropylene (PP)/ Polyethylene (PE) woven sacks & fabric, geo-textile products and various technical textile products which find its application in construction, infrastructure and packing industry. SJPL has its plant situated at Dholka, Ahmedabad having an installed capacity for woven fabrics and bags of 12,000 Metric Tons per annum (MTPA) as on March 31, 2016. Moreover, As on March 31, 2016, SJPL has windmill capacity of 3.6 MW.

As per the audited result for FY16, SJPL reported a PAT of Rs.5.02 crore on a total operating income of Rs.122.18 crore as against a PAT of Rs.3.34 crore on a total operating income of Rs.111.88 crore in FY15. Further, as per un-audited result for H1FY17, AIL earned a total operating income of Rs.81.19 crore and PAT of Rs.3.63 crore.

Analyst Contact

Name: Mr Krunal Modi

Tel: 079-40265614

Cell: +91 85111 90084

Email: krunal.modi@careratings.com

****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.

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

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.

CONTACT**Head Office Mumbai****Mr. Amod Khanorkar**

Mobile: + 91 9819084000

E-mail: amod.khanorkar@careratings.com**Mr. Saikat Roy**

Mobile: + 9198209 98779

E-mail: saikat.roy@careratings.com**CREDIT ANALYSIS & RESEARCH LIMITED**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com**AHMEDABAD****Mr. Mehul Pandya**32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com**BENGALURU****Mr. Deepak Prajapati**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

E-mail: deepak.prajapati@careratings.com**CHANDIGARH****Mr. Sajan Goyal**SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062
Chandigarh

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com**CHENNAI****Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com**COIMBATORE****Mr. V Pradeep Kumar**

T-3, 3rd Floor, Manchester Square

Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com**HYDERABAD****Mr. Ramesh Bob**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.

Cell : + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: ramesh.bob@careratings.com**JAIPUR****Mr. Nikhil Soni**304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

Cell: +91 – 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: nikhil.soni@careratings.com**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com**NEW DELHI****Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com**PUNE****Mr. Pratim Banerjee**9th Floor, Pride KumarSenate,
Plot No. 970, Bhamburda, SenapatiBapat Road,
ShivajiNagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691