

JULY 02, 2014

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
SHRI JAGDAMBA POLYMERS LTD**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long Term Bank Facilities	19.10 (enhanced from Rs.6.80 Crore)	CARE BBB- (Triple B Minus)	Reaffirmed
Short Term Bank Facilities	24.50 (enhanced from Rs.9.50 Crore)	CARE A3 (A Three)	Reaffirmed
Total	43.60		

Rating Rationale

The ratings continue to take into account vast experience of promoters in woven fabrics and bags and geo-textile products manufacturing, favorable financial profile of the company with significant growth in sales during last few years, moderate profitability and overall gearing levels along with modest debt coverage indicators and established relationship with its overseas customers.

The ratings are however, continues to be constrained by its relatively small scale of operations in the highly competitive & fragmented industry, limited bargaining power with its suppliers and susceptibility of operating margins to volatility in raw material prices and foreign exchange rates.

The ability of the company to increase its scale of operations while maintaining its profitability margins and effective working capital management are the key rating sensitivities.

Background

Incorporated in May 1985, Shri Jagdamba Polymers Limited (SJPL) is promoted by Mr. Ramakant Bhojnagarwalla 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 packaging industry. SJPL has its plant situated at Dholka, Ahmedabad having an installed capacity of 12,000 Metric Tons per annum (MTPA) as on March 31, 2014 for manufacturing of woven fabrics and bags.

As per the audited result for FY14 (FY refers to period April 1 to March 31), SJPL reported a PAT of Rs.3.14 crore on a total operating income of Rs.89.53 crore as against a PAT of Rs.3.16 crore on a total operating income of Rs.73.46 crore in FY13 (A).

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

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