

March 30, 2012

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
TCPL PACKAGING LTD.****Ratings**

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	130.98 (enhanced from Rs.106.91 crore)	CARE BBB+ [Triple B Plus]	Reaffirmed
Short-term Bank Facilities	10.00 (enhanced from Rs.5.10 crore)	CARE A2 [A Two]	Reaffirmed
Total Facilities	140.98		

Rating Rationale

The ratings continue to derive strength from the company's track record in the packaging industry, well-established relationship with reputed clientele, satisfactory operational set-up and application of TCPL's products in various industries which have relatively low vulnerability to economic cycles. The ratings are, however, constrained by moderate size of the company, continuing capital expenditure requirements, high dependence on the cigarette industry, limited pricing flexibility and high financial leverage of the company.

Ability of the company to maintain growth in operations and balance capital structure would remain the key rating sensitivities.

Background

TCPL Packaging Limited (TCPL), incorporated in 1987 as a public limited company, is promoted by Mr Saket Kanoria, Managing Director of TCPL. The company is involved in manufacturing of paper board-based printed packaging material with manufacturing facilities located at Silvassa, Haridwar and Goa. The company supplies its products to various customers in the industries like Fast Moving Consumer Goods (FMCG), cigarette, liquor, etc.

TCPL reported a PAT of Rs.6.29 crore on a total income of Rs.241.03 crore for FY11 (refers to the period April 1 to March 31) as compared to a PAT of Rs.4.43 crore on a total income of Rs.189.23 crore for FY10. Furthermore, during 9MFY12 TCPL reported a PAT of Rs.4.68 crore on a total income of Rs.205.14 crore as compared to a PAT of Rs.4.71 crore on a total income of Rs.174.13 crore during 9MFY11.

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

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