



March 3, 2010

ICRA assigns A4 rating to the bank facilities of Tarajyot Polymers Limited

ICRA has assigned an A4 (pronounced as A four) rating to the Rs. 25.0 million fund based limits and Rs. 250.0 million non-fund based limits of Tarajyot Polymers Limited (TPL)[†].

The rating is constrained by the low profit margins typical of the trading business, low cash accruals, intensive competitive pressure and significant loss suffered by the company in 2008-09 weakening its capital structure. Moreover, TPL is exposed to the volatility in polymer prices and foreign exchange rate fluctuations arising on account of imports of traded goods. The rating however takes into account the long and proven track record of TPL's promoters in the Polymer trading business, the company's established relationships with its key customers and suppliers, and its moderate working capital intensity.

About the company

Tarajyot Polymers Limited (TPL) was incorporated in 1990 as a part of Shyam Group. TPL has been promoted by Mr Chandra Prakash Ramsisaria, Mr. Suresh Kumar Ramsisaria and Mr. Ramavatar Ramsisaria. The company is primarily involved in importing of plastic granules and distribution of the same in the local market.

TPL reported a loss of Rs. 20.6 million on net sales of Rs. 777.4 million in 2008-09. The company reported net revenues of Rs. 485.2 million and PAT of Rs 23.6 million (provisional) in the 6 months ended 30th September, 2009.

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ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

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