



Chokshi Texlen Private Limited

Instrument	Amount	Rating Action
Term Loans	Rs. 1.17 crore (Reduced from Rs. 1.57 crore)	[ICRA]B+; reaffirmed
Cash Credit	Rs. 7.00 crore	[ICRA]B+; reaffirmed

ICRA has reaffirmed the long-term rating of [ICRA]B+ (pronounced ICRA B plus) assigned to the Rs.8.17 crore (reduced from Rs. 8.57 crore) long term fund based facilities of Chokshi Texlen Private Limited (CTPL)*.

The reaffirmation of ratings takes into consideration the weak financial profile of CTPL as evident from its low profitability owing to limited value-additive nature of the texturising activity; the leveraged capital structure and modest debt coverage indicators along with high working capital intensity of operations. The ratings are further constrained by the vulnerability of the company's profitability to the volatility in raw material prices as well as the cyclical and the intense competitive pressures inherent in the industry. The ratings also take into account the high supplier concentration and the limited bargaining power of the company with its suppliers.

The ratings, however, draw comfort from the long track record of the promoters in the field of manufacturing and marketing of texturised yarn and the long association of the company with various customers, which strengthens its market position. The ratings also take into consideration the diversification of clientele of the company, leading to a low customer concentration risk.

Company Profile

Chokshi Texlen Private Limited (CTPL) was incorporated in 1997 to acquire an existing texturising unit in Surat for manufacturing crimp yarn. It is engaged in the production of Draw Texturised Yarn (DTY), viz. Crimp Yarn and Kota Yarn from Partially Oriented Yarn (POY). Currently, CTPL has 10 texturising machines installed at its facility at Surat (Gujarat) for manufacturing crimp and kota yarn. The annual production capacity of company varies owing to different denier configurations required in the manufacturing process of its products

Recent Results

In FY 2014, CTPL reported a profit after tax of Rs. 0.16 crore on operating income of Rs. 36.73 crore. As per provisional results of FY 2015, CTPL reported a profit after tax of Rs. 0.19 crore on operating income of Rs. 36.81 crore.

September 2015

For further details please contact:

Analyst Contacts:

Mr. Anjan Ghosh (Tel. No. +91-22- 6114 3407)
aghosh@icraindia.com

Relationship Contacts:

Mr. L. Shivakumar, (Tel. No. +91 22 6114 3406)
shivakumar@icraindia.com

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



© Copyright, 2015, ICRA Limited. All Rights Reserved.
Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: 9821086490

Email: shivakumar@icraindia.com

1802, 18th Floor, Tower 3,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone, Mumbai 400013,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**

Mobile: 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: 989986490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-
79-25569231

Pune**Mr. L. Shivakumar**

Mobile: 989986490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills
Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B, Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500