

June 3, 2010

CARE REAFFIRMS RATINGS TO THE BANK FACILITIES OF ANIL PRODUCTS LTD.

CARE has retained a '**CARE BBB**' (**Triple B**) rating to the existing long-term bank loans/facilities of Anil Products Ltd. (APL). This rating is applicable to facilities having tenure of more than one year. Facilities with this rating are considered to moderate safety for timely servicing of debt obligations. Such facilities carry moderate credit risk. Also, CARE has retained a '**PR 3**' (**PR Three**) rating to the existing short-term bank facilities of APL. This rating is applicable to facilities having tenure of up to one year. Facilities with this rating would have moderate capacity for timely repayment of short term debt obligations at the time of rating and carry higher credit risk as compared to facilities rated higher. CARE assigns '+' or '-' signs to be shown after the assigned rating (wherever necessary) to indicate the relative position within the band covered by the rating symbol.

Sr. No.	Facility	Amount (Rs. Cr)	Rating	Remarks
1	Long-term loans / facilities	73.80	'CARE BBB'	Retained
2	Short-term loans / facilities	7.50	'PR 3'	Retained
	Total	81.30		

Rating Rationale

The ratings continue to factor in APL's established track record and its strong position in the corn wet milling industry in India with broad product portfolio catering to diverse end-user industries, consistent introduction of new products and improving profitability. The ratings, however, continue to remain constrained due to exposure to price fluctuations in agro-based inputs (i.e. maize) and modest financial profile characterized by high working capital requirements, moderately high gearing levels and increase in operating cycle. Company's ability to improve its profitability through better commodity price-risk management, introduction of new value-added downstream products and increase in share of exports, along with better working capital management and improvement in the overall financial profile are the key rating sensitivities.

Company Profile

APL, incorporated in 1939 by Late Shri Chinubhai Sheth (*part of Lalbhai family*), is promoted by Mr. Shripal Sheth and Mr. Amol Sheth. APL is engaged in wet milling of maize corn for manufacturing of unmodified/modified starch and other downstream products like liquid glucose, dextrose monohydrate, anhydrous dextrose, Sorbitol, etc. for textile, food, pharmaceuticals, chemical, paper and other industries in India.

During FY09, the company reported net sales of Rs.254.39 crore (FY08: Rs.199.03 crore) and earned PAT of Rs.10.52 crore (FY08: Rs.7.24 crore). APL had a comfortable overall gearing of 1.20 times as at Mar.31, 2009.

Analyst Contact

Name: Mitul Budhbhatti

Tel # 079-40265609

Mobile # +91 97250 40966

Email: mitul.budhbhatti@careratings.com

CARE 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.

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.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>