
September 21, 2010

**CARE ASSIGNS PR4' RATINGS TO THE BANK FACILITIES OF
ANU TUFTS INTERNATIONAL**

Ratings Assigned

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Short-term Bank Facilities	8.20	'PR4' (PR Four)	Assigned
Total Facilities	8.20		

The ratings assigned by CARE are based on the capital deployed by the partners and the financial strength of ATI at present. The rating may undergo a change in case of withdrawal of capital or of the unsecured loans brought in by the partners in addition to changes in the financial performance and other relevant factors.

Rating Rationale

The rating is constrained by the relatively small scale of operations, declining revenue trend in FY09-10 and extremely high operating cycle. The rating also factors in the geographical and client concentration of revenues to the US and the ensuing foreign exchange risks. The rating takes into account the management's experience in the carpet business, established presence in the international market and absence of long-term debt.

Going forward, the ability of ATI to profitably scale-up the operations coupled with the improvement in the operating cycle shall be the key rating sensitivities.

Company Profile

ATI is a registered partnership firm founded in 1999 and is engaged in the manufacturing and export of various types of hand-tufted woollen carpets from Bhadohi (Uttar Pradesh). The firm has nine partners with varied share in profit/loss. ATI has been accorded the status of 'One Star Export House' by the Ministry of Commerce and Industry, Government of India.

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

On a total operating income of Rs.19.26 cr during FY09, ATI earned PBILDT and PAT of Rs.2.13 cr and Rs.0.57 cr respectively. As per the provisional results for FY10, the firm has achieved a total operating income of around Rs.8.53 cr with PBILDT and PAT of Rs.0.96 cr and Rs.0.16 cr respectively.

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CARE has 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.

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