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October 7, 2010

**CARE ASSIGNS 'CARE BBB-' AND 'PR3' RATINGS TO THE BANK FACILITIES OF BINAYAK TEX PROCESSORS LTD.**

**Ratings Assigned**

<b>Facilities/Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	2.06	<b>'CARE BBB-' (Triple B Minus)</b>	Assigned
Short-term Bank Facilities	24.50	<b>'PR3' (PR Three)</b>	Assigned
<b>Total Facilities</b>	<b>26.56</b>		

**Rating Rationale**

The rating derives strength from experienced management, healthy financial profile characterised by low gearing levels, satisfactory interest coverage ratio and comfortable Debt Service Coverage Ratio (DSCR).

The ratings are, however, constrained by the limited presence in the textile value chain, intense competition from organised and unorganised segment, profit margins susceptible to continuation of export benefits and foreign exchange fluctuation risk.

The ability of BTPL to maintain healthy profitability margins in the external environment characterized by forex volatility & intense competition remains key rating sensitivity.

**Company Profile**

Binayak Tex Processors Limited (BTPL) is a government-recognised export-oriented processing house engaged in the dyeing & printing of fabrics for Home Textile Products (bed sheet, pillows & others) and linen. Incorporated in 1983, BTPL is promoted by Mr. Pradip Pacheriwala, Managing Director, having an overall exposure of more than two decades in the Textile industry. BTPL has a manufacturing facility in MIDC Dombivali, Maharashtra.

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<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications



Press Release

BTPL recorded net sales of Rs.78.48 crore with net profit of Rs.5.47 crore in FY09. During FY10 (unaudited), BTPL reported Net Sales of Rs.126.40 crore with PAT of Rs.3.97 crore.

**Analyst Contact**

Name: Pulkit Agarwal

Tel # 02267543456

Email: pulkit.agarwal@careratings.com

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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

4<sup>th</sup> 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, <b>Ahmedabad - 380 015.</b> 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 PlaceNo. 6, Raja Ram Mohan Roy Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b> Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> 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, <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail :swati.agrawal@careratings.com</p>