

June 11, 2010

**CARE ASSIGNS 'CARE AA' AND 'PR1+' RATINGS TO BANK FACILITIES & 'PR1+' RATING TO THE COMMERCIAL PAPER OF CENTURY TEXTILES & INDUSTRIES LTD.**

**Ratings**

<b>Facilities</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	5,489.62	<b>'CARE AA' (Double A)</b>	Assigned
Short-term Bank Facilities	875.00	<b>'PR1+' (PR One Plus)</b>	Assigned
<b>Total Facilities</b>	<b>6,364.62</b>		
Commercial Paper*	550.00	<b>'PR1+' (PR One Plus)</b>	Assigned
Commercial Paper	500.00	<b>'PR1+' (PR One Plus)</b>	Assigned

\*Carved out of working capital limits

**Rating Rationale**

The ratings derive strength from the well-established operations, experienced management, diversified business profile and strong financial risk profile characterised by healthy profit margins, low leverage and healthy debt protection indicators. Being a part of B.K. Birla Group, which is one of the oldest and prominent business houses of India further add strength to the ratings.

The ratings are constrained by significantly large expansion projects currently under implementation exposing it to attendant business risks.

The ability of CTIL to turnaround the operations of the textile division and successfully complete its ongoing capex remains key rating sensitivity.

**Company Profile**

Established in 1897, Century Textiles & Industries Limited (CTIL) is the flagship company of the Rs.10,000 crore B. K. Birla Group. CTIL is a diversified company with presence in fields like Cement, Textiles (cotton yarn, denim, fabrics & apparel, viscose filament yarn, and tyre yarn), Pulp and Paper (Duplex board, Copier paper and Tissue paper) and Chemicals (Caustic Soda, Sulphuric Acid and Salt).

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

In FY09 on net sales of Rs.3,885 crore, CTIL earned PAT of Rs.241 crore. In FY10 on net sales of Rs.4,478 crore the company earned PAT of Rs.356 crore.

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