

August 27, 2010

**CARE ASSIGNS 'CARE BBB+' AND 'PR3' RATING TO THE BANK FACILITIES OF  
PARLE ELIZABETH TOOLS PVT 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	7.38	'CARE BBB+' (Triple B Plus)	Assigned
Short-term Bank Facilities	4.26	'PR3' (PR Three)	Assigned
<b>Total Instruments/Facilities</b>	<b>11.64</b>		

**Rating Rationale**

The ratings derive strength from the experience and track record of the promoters of Parle Elizabeth Tools Private Limited (PETL) and the tie-up with Elizabeth Carbide Die Co., Inc. (ECDC) which is having an established global presence in the tablet tool industry. The ratings also factor in the moderate gearing levels and comfortable debt coverage indicators of PETL.

The ratings are, however, constrained by the relatively small size of operations, limited track record of PETL as an independent entity, demand for the company's products dependent upon expansion and replacement activities in the pharmaceutical industry, and competition from players in the organized and unorganized sectors with low entry barriers in the industry.

The ability of PETL to bag new orders while maintaining operating margins is the key rating sensitivity.

**Company Profile**

Incorporated in 2008, PETL is a 50:50 Joint Venture (JV) between Parle Group and Elizabeth Carbide Die Co. (ECDC), USA. The company is providing tableting solutions to pharmaceutical companies with products and services like tooling, toolcare, and machine polishing under the brand name, 'Eliza Tool'.

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



Press Release

PETL registered a PAT of Rs.2.89 crore on net sales of Rs.22.36 crore in FY10 as against a PAT of Rs.0.81 crore on net sales of Rs.7.93 crore in FY09. The overall gearing of the company was comfortable at 0.48x as on March 31, 2010.

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