

June 22, 2010

**CARE ASSIGNS 'BBB-' AND 'PR3' RATINGS TO THE BANK FACILITIES OF  
SHAH FOILS PVT. LTD.**

<b>Facilities</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	32.35	<b>'CARE BBB-' (Triple B Minus)</b>	Assigned
Short-term Bank Facilities	0.75	<b>'PR3' (PR Three)</b>	Assigned
<b>Total Facilities</b>	<b>33.10</b>		

**Rating Rationale**

The ratings take into account Shah Foils Pvt. Ltd.'s (SFPL) established operations in the stainless steel industry, stable demand outlook from utensils industry and its experienced promoters. The ratings are constrained by SFPL's relatively weak financial risk profile, its working capital intensive nature of operations and risk associated with volatility in raw material price and high supplier concentration. The ability of the company to increase its scale of operations, sustain its profitability withering volatility in raw material prices and improve gearing level in a working capital intensive operations are the key rating sensitivities.

**Company Profile**

Shah Foils Pvt. Limited (SFPL) is engaged in manufacturing of cold rolled coils and strips of stainless steel and mainly caters to utensils manufacturers. The company has manufacturing capacity of 12,000 metric tonne per annum (MTPA) for manufacturing of cold rolled coils and strips at Ahmedabad. SFPL also has installed wind farm of three mega watt (MW) located in Kutch District (Gujarat) which was commissioned in FY09.

During FY09, SFPL registered total income of Rs.88.42 crore with PAT of Rs.1.15 crore as compared to total income of Rs.82.92 crore with PAT of Rs.0.98 crore in FY08. During the 9MFY10, SFPL registered total income of Rs.102.25 crore with PAT of Rs.3.11 crore.

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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

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