

June 14, 2010

CARE ASSIGNS 'CARE BB+' RATING TO BANK FACILITIES OF SRI JAGDAMBA GINNING & PRESSING P. LTD.**Rating assigned**

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	38.91	'CARE BB+' (Double B Plus)	Assigned
Total Facilities	38.91		

Rating Rationale

The ratings are constrained by the elevated financial risk profile of the company with high gearing ratio and low profitability, fluctuating raw material prices, Government control over the raw material prices, fragmented nature of the industry entailing aggressive competition from other players, seasonal nature of the business and lack of management depth,. The ratings also considered the experience of the promoters in the business, long standing relationship with the customers and farmers, recently completed capacity expansion to meet the increase in demand and stable industry prospects. Availability of raw material, ability to pass on the increase in the raw material prices to the customers and improvement in financial risk profile are the key rating sensitivities.

SJGPPL was originally promoted as a proprietary concern in 1994 by Mr. Rajkumar Agarwal (Present Managing Director) The company is presently engaged in processing (Ginning) of Kapas (Raw Cotton) and pressing the same into cotton bales, trading in cotton, cotton seeds and cotton seeds oil extraction.

On a total income of Rs.247cr, the company earned a PAT of Rs.1cr in FY09. The company achieved a total income of Rs.344 crore with PAT of Rs.1 crore in 11MFY10 ended Feb 28, 2010.

Analyst Contact

Name: Sajan Goyal

Tel # 040-4010 2030

Mobile # 9849174030

Email: sajan.goyal@careratings.com

CARE 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.

¹Complete definition of the ratings assigned are available at www.careratings.com

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

4th 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, Ahmedabad - 380 015. 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, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat NagarHyderabad - 500 029 Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. 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, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>