

July 13, 2010

**CARE ASSIGNS 'CARE BB+' & 'PR4' RATING TO THE BANK FACILITIES OF  
TAB INDIA GRANITES PVT. LIMITED****Ratings**

<b>Facilities/Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	71.46	<b>'CARE BB+' (Double B Plus)</b>	Assigned
Short-term Bank Facilities	12.10	<b>'PR 4' (PR Four)</b>	Assigned
<b>Total Facilities</b>	<b>83.56</b>		

**Rating Rationale**

The ratings are constrained due to unfavourable business risk profile characterized by suppressed demand for the company's products due its dependence on US and European markets which are facing an economic downturn. The ratings are also constrained due to fluctuating operating income and profitability, fairly long operating cycle due to high level of debtors & inventories and high interest costs. The ratings do factor in wide experience of promoters in granite trading and processing industry, well established marketing and distribution setup, long standing relationships with suppliers and moderately comfortable gearing ratio.

Revival in demand for the company's products from its key export markets, control over its operating cycle and improvement in the overall financial profile are the key rating sensitivities.

**Company Profile**

TIGPL, incorporated in 2003, is promoted by Mr. Amit Gupta & Shri Sumit Gupta. The company started its operations in Hosur city of Tamil Nadu close to the rich mines of granites in Tamil Nadu and nearby states. The company is engaged in granite processing and finishing mainly for use in real estate sector for laying on floors, walls in residential and commercial projects. The company has 100% EOUs (Export Oriented Unit) at Hosur and Jaipur (Rajasthan) and a non-EOU facility in Bagru village near Jaipur. The company has a granite processing capacity of about 66 lakh sq. ft. per annum.

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

During FY09, TIGPL reported a PAT (profit after tax) of Rs.5.96 crore on total income of Rs.105.90 crore as against a PAT of Rs.0.36 crore on total income of Rs.87.98 crore reported during FY08. Overall gearing stood at 0.80 times as on March 31, 2009.

During first nine months ended Dec.09, TIGPL report PBT (profit before tax) of Rs.1.61 crore on total income of Rs.59.77 crore.

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**CARE classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.**

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