
October 7, 2010

CARE ASSIGNS 'CARE BBB-' AND 'PR3' RATINGS TO THE BANK FACILITIES OF VALIANT GLASS WORKS PVT LTD.

Ratings Assigned

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	12.42	'CARE BBB-' (Triple B Minus)	Assigned
Short-term Bank Facilities	47.50	'PR3' (PR Three)	Assigned
Total Facilities	59.92		

Rating Rationale

The rating derives strength from experienced management, healthy financial profile characterised by low debt-equity ratio, low overall gearing and growth in operations in FY10.

The ratings are, however, constrained by the company's limited presence in textile value chain, intense competition from organised and unorganised segment, profit margins susceptible to continuation of export benefits and foreign exchange fluctuation risk. The ability of the company to maintain healthy profitability margins in the external environment characterized by forex volatility & intense competition remains key rating sensitivity.

Company Profile

Valiant Glass Works Private Limited (VGWPL) is a recognized export house engaged in the dyeing & printing process of fabrics for Home Textile Products (bed sheet, pillows & others) and Linen. VGWPL has a manufacturing facility in Tarapur, Maharashtra.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications



Press Release

VGWPL, in FY09, recorded net sales of Rs.166.52 crore and PAT of Rs.3.36 crore. During FY10 (Provisional), VGWPL reported Net Sales of Rs.209.07 crore with PAT of Rs.5.57 crore.

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CARE has 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

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