

Press Release

Brickwork Ratings assigns ‘BWR BB-’ (Pronounced BWR Double B Minus) for the Bank Credit Facilities of ₹ 12 Crores of Tirupati KP Cotton Industries Pvt Ltd (TKPCIPL)

Brickwork Ratings (BWR) has assigned BWR BB- (Pronounced BWR Double B Minus) for the Bank Credit Facilities of ₹ 12 Crores of Tirupati KP Cotton Industries Pvt Ltd (TKPCIPL).

Facility	Limits (₹ Crs)	Tenure	Rating
Fund Based - Cash Credit	12.00	Long Term	<p>BWR BB- (Pronounced BWR Double B Minus) (Outlook-Stable)</p> <p>Facilities with this rating are considered to have Moderate risk of default regarding timely servicing of financial obligations.</p>

BWR has principally relied upon the audited financial results up to FY12, projected financials of FY13 and FY14, publicly available information and information/clarification provided by the Company.

Company Background:

Tirupati KP Cotton Industries Pvt. Ltd. was established in May, 2006 and is engaged in Cotton Ginning and manufacturing of Cotton Oil from Cotton Seed. The Company was initially started by group of 50 cotton farmers from Khedbrahma, Gujarat. After operating successfully on its own from 2006 to 2008, it incurred losses during the year 2009. With such losses, the shareholders decided to sell off their unit to a group in manufacturing. On being approached by Anadi Group represented by Mr. Shankar Prasad Dudhwewala, the shareholders of Tirupati KP Cotton Industries Pvt Ltd agreed to sell their entire stake to Anadi Group. This transfer of ownership took place during the financial year of 2010-11.

The Company is currently owned by Mr. Shankar Prasad Dudhwewala who was joined by Mrs. Manjari Dudhwewala & Mr. Anadi Dudhwewala for management of day to day affairs of the Company.

TKPCIPL reported a profit after Tax (PAT) of ₹ Rs.0.0.09 Crs on a gross income of Rs.14.91 Crs in FY 12 (audited) compared to PAT of Rs. 0.21 Crs on the income Rs. 18.57 Crs in FY11. In FY 12, the Company reported a NPM of 0.61% compared to NPM of 1.08% in FY 11. In FY 13, the Company expects to achieve a 98% increase in turnover and has estimated a gross Sales of Rs.30.00 Crs.

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