

November 26, 2013  
Mumbai

## Taparia Tools Limited

### Ratings Suspended

|   |                       |
|---|-----------------------|
| <b>Total Bank Loan Facilities Rated</b> | <b>Rs.365 Million</b> |
| <b>Long -Term Rating</b>                | <b>Suspended</b>      |
| <b>Short -Term Rating</b>               | <b>Suspended</b>      |

(Refer to Annexure 1 for details on facilities)

CRISIL has suspended its ratings on the bank facilities of Taparia Tools Ltd (TTL). The suspension of ratings is on account of non-cooperation by TTL with CRISIL's efforts to undertake a review of the ratings outstanding. Despite repeated requests by CRISIL, TTL is yet to provide adequate information to enable CRISIL to assess TTL's ability to service its debt. The suspension reflects CRISIL's inability to maintain a valid rating in the absence of adequate information. CRISIL considers information availability risk as a key credit factor in its rating process and non-sharing of information as a first signal of possible credit distress, as outlined in its criteria Information Availability Risk in Credit Ratings.

#### About the Company

Incorporated in 1987 as TTL and promoted by Mr. H. N. Taparia, the company primarily deals in hand tools such as adjustable spanners, pliers and screw drivers TTL has a manufacturing capacity of 1750 metric tonnes (MT) in Nasik and Goa. Around 30 per cent of TTL's production is from own production facilities, while the balance is outsourced to contract manufacturers working exclusively for TTL. Domestic sales account for 95 per cent of total sales and the rest 5 per cent is from exports to countries like Argentina, Sweden, and Norway. Taparia is listed on the Bombay Stock Exchange (BSE).

#### Annexure 1 - Details of various bank facilities

| Current facilities                    |                      |           | Previous facilities                   |                      |                   |
|---------------------------------------|----------------------|-----------|---------------------------------------|----------------------|-------------------|
| Facility                              | Amount (Rs. Million) | Rating    | Facility                              | Amount (Rs. Million) | Rating            |
| Bank Guarantee                        | 50                   | Suspended | Bank Guarantee                        | 50                   | CRISIL A3+        |
| Cash Credit                           | 280                  | Suspended | Cash Credit                           | 280                  | CRISIL BBB/Stable |
| Letter of Credit                      | 30                   | Suspended | Letter of Credit                      | 30                   | CRISIL A3+        |
| Proposed Long-Term Bank Loan Facility | 5                    | Suspended | Proposed Long-Term Bank Loan Facility | 5                    | CRISIL BBB/Stable |
| <b>Total</b>                          | <b>365</b>           | <b>--</b> | <b>Total</b>                          | <b>365</b>           | <b>--</b>         |

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