

July 10, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	5.00*	SMERA BB/Stable (Assigned)
Term Loan	3.00	SMERA BB/Stable (Assigned)
Letter of Credit	6.00	SMERA A4+ (Assigned)
Bank Guarantee	1.00	SMERA A4+ (Assigned)

\*Includes Packing Credit as a sublimit to the extent of Rs.2.00 crore

SMERA has assigned a long-term rating of '**SMERA BB**' (read as **SMERA double B**) and a short-term rating of '**SMERA A4+**' (read as **SMERA A four plus**) to the abovementioned bank facilities of Power Cable Industries (PCI). The outlook is '**Stable**'. The ratings are supported by the firm's reputed clientele, experienced management and healthy return on capital employed (RoCE). However, the ratings are constrained by the firm's modest-scale operations. The ratings note that the firm's financial profile is susceptible to withdrawal of capital.

PCI, established in 2006, is a Jaipur-based partnership firm engaged in manufacturing of electric cables. PCI caters to several reputed customers such as Bajaj Electricals Limited, Monte Carlo Limited and NKG Infrastructure Limited. The firm benefits from its experienced management. Mr. Surya Prakash Sharma, partner of PCI, has around 35 years of experience in the firm's line of business. PCI registered healthy return on capital employed (RoCE) of 16.08 per cent in FY2013-14 (refers to financial year, April 01 to March 31).

PCI has modest-scale operations marked by operating income of Rs.19.06 crore in FY2013-14. The firm's financial profile is susceptible to withdrawal of capital by partners.

### Outlook: Stable

SMERA believes PCI will maintain a stable business risk profile over the medium term. The firm will continue to benefit from its established operations and experienced management. The outlook may be revised to 'Positive' in case the firm registers strong growth in revenue while achieving sustained improvement in profitability. The outlook may be revised to 'Negative' in case the firm registers lower-than-expected growth in revenue, or in case of deterioration in the firm's financial risk profile.

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**About the firm**

PCI, established in 2006, is a Jaipur-based partnership firm promoted by Mr. Shobhit Sharma and Mr. Surya Prakash Sharma. PCI is engaged in manufacturing of electric cables (made from copper and aluminium). The firm caters to turnkey contractors.

For FY2013–14, PCI registered profit after tax (PAT) of Rs.0.44 crore on revenue of Rs.19.06 crore, as compared with PAT of Rs.0.07 crore on revenue of Rs.17.46 crore in FY2012–13. The firm registered revenue of Rs.20.43 crore (provisional) in FY2014–15. PCI's net worth stood at Rs.2.86 crore as on March 31, 2014, as compared with Rs.1.38 crore a year earlier.

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