

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.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

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.

Contact List:

Media / Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 98208 02479 Email: antony.jose@smera.in	Shripad Nande Associate Vice President – Corporate Ratings Tel: +91-22-6714 1329 Email: shripad.nande@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.