



SMERA RATINGS LIMITED

Purulia Metal Casting Private Limited (PMCPL)

*Rating
Rationale***July 15, 2015**

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	35.00	SMERA BB+/Stable (Assigned)
Term Loan	2.00	SMERA BB+/Stable (Assigned)
Term Loan (Proposed)	7.00	SMERA BB+/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA BB+**' (read as **SMERA double B plus**) to the abovementioned bank facilities of Purulia Metal Casting Private Limited (PMCPL). The outlook is '**Stable**'. The ratings derive comfort from the company's experienced management and comfortable financial risk profile. The ratings are also supported by modest scale of operation, healthy revenue growth and well established market presence. However, the ratings are constrained by the, company's working capital intensity of operations and cyclicity in the steel industry.

Outlook: Stable

SMERA believes PMCPL will maintain a stable business risk profile in the medium term on account of its experienced management and established operational track record. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and net cash accruals while maintaining better profit margins and improves its working capital management. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected growth in revenues and profitability, or in case of deterioration in the company's financial risk profile.

About the Company

PMCPL incorporated in 2004, is a Kolkata based company engaged in manufacturing thermo mechanically treated (TMT) bars and MS Billet. The company has manufacturing units in Purulia of West Bengal. The overall operations are managed by Mr.Bhabani Prasad Mukherjee and Gautam Sen.

PMCPL reported profit after tax (PAT) of Rs.1.23 crore on operating income of Rs.335.31 crore for FY2013-14, as compared with PAT of Rs.0.67 crore on operating income of Rs.236.36 crore in FY2012-13. Further the company reported PAT of Rs.1.84 crore (Provisional) on operating income of Rs.223.61 crore (provisional) during April 01, 2014 to March 31, 2015.

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