

August 13, 2015

Facilities	Amount (Rs. Crore)	Rating
<b>Cash Credit</b>	<b>7.20</b>	<b>SMERA BB-/Stable (Assigned)</b>
<b>Bank Guarantee</b>	<b>9.50</b>	<b>SMERA A4+ (Assigned)</b>
<b>Letter of Credit</b>	<b>3.10</b>	<b>SMERA A4+ (Assigned)</b>

SMERA has assigned a rating of '**SMERA BB-**' (read as SMERA double B minus) to the Rs.7.20 crore long-term (fund based) bank facility and '**SMERA A4+**' (read as SMERA A four plus) to the Rs.12.60 crore short-term (non-fund based) bank facility of Park Controls and Communication Private Limited (PCCPL). The outlook is '**Stable**'. The ratings derive comfort from the company's experienced management, healthy order book and healthy relations with customers and suppliers. However, the ratings are constrained by the small scale of operations and working capital intensive nature of the business.

### **Outlook: Stable**

SMERA believes PCCPL will maintain a stable business risk profile over the medium term on account of its established operations and experienced management. The outlook may be revised to 'Positive' if PCCPL registers sustainable growth in revenue and profitability and improvement in working capital cycle. Conversely, the outlook may be revised to 'Negative' in case of lower than expected revenue, lengthening of working capital cycle or deterioration in the capital structure of the company.

### **Rating Sensitivity Factors**

- Revenue and profitability level
- Working capital management

### **About the Company**

PCCPL, incorporated in 1989, is a Bangalore-based company that deals with data acquisition solutions and applications for defence and aerospace industries and is a recognized vendor for defence related projects. The operations of the company are managed by Mr. M.P. Sastri and Mr. PJB Noble.

For FY2013-14, PCCPL reported profit after tax (PAT) of Rs.0.03 crore on operating income of Rs. 8.17 crore, as compared with PAT of Rs.0.18 crore on operating income of Rs.17.45 crore for FY2012-13. For FY2014-15, PCCPL reported revenue of Rs.14.50 crore (provisional). The company's net worth stood at Rs.6.64 crore in FY2013-14 as compared with Rs.6.93 crore a year earlier.

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