for Informed Investment Decisions

Brickwork Ratings reaffirms 'BWR BB' & 'BWR A4+' for the Bank Loan Facilities of ₹ 10.46 Cr for Ganesh Transmission Private Limited on its Annual Surveillance.

Brickwork Ratings (BWR) reaffirms the following **Ratings**[1] for the Long Term Bank Loan Facilities of ₹ 9.46 Cr and for the Short Term Bank Loan Facilities of ₹ 1 Cr for Ganesh Transmission Private Limited *(GTPL)* sanctioned by Indian Overseas Bank

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based Cash Credit Term Loan Term Loan	 **7.00** **1.26** **1.20**	Long Term	**BWR BB** (BWR Double B) **(Outlook: Stable)**
Non Fund Based Inland Bills Letter of Guarantee	 **0.40** **0.60**	Short Term	**BWR A4+** (BWR A Four Plus)
Total	**10.46**	**(INR Ten Crores and Forty Six Lakhs only)**	

BWR has principally relied upon the audited financial results up to FY13, projected financials of FY14, publicly available information and information/clarification provided by the Company.

The rating has factored, inter alia, the promoters experience in the copper wire industry, the team of professionally qualified and experienced individuals, ISO 9001:2008 Certifications, RDSO approval from Indian Railways and addition of Orient Fans to its clientele list. The rating is constrained by small scale of operations, low profitability margins, intense competition in the region both from organised and unorganised sectors.

Company Background:

Ganesh Transmission Pvt Ltd was incorporated on 15th July, 2002 to carry on the business as manufacturers of bare and enamelled copper winding wire. The commercial production of the Company commenced in April FY 2004-05. It has an established brand 'GTP', which is a registered trademark owned by the company.

During the year under review, the Company embarked on a capex plan and installed a high-speed drawing machine, as well as a new enameling plant. Due to some delays, the capex could be completed only in the current FY and the plants are expected to be operational by the beginning of December'13. This is expected to add to the revenue as well as to the profits of the Company.

[1] ***Please refer to www.brickworkratings.com for definition of the Ratings***

Initially the Company used to perform Job Work only for Khaitan Fans. However the Company has recently added Orient Fans to its list of clientele and is amongst the very few to be enlisted as approved vendor to the said company.

GTPL reported a profit after Tax (PAT) of ₹ Rs.0.08 Cr on an income of Rs.26.96 Cr in FY 13 (audited) compared to PAT of Rs. 0.02 Cr on the income Rs. 15.73 Crs in FY12. In FY 13, the Company reported a Tangible Net worth of Rs.3.59 Cr in FY 12, as against a Net worth of Rs. 3.06 Cr in FY 12. The operating profit margins of the Company are on moderate levels with low net profit margins.

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