Rating Rationale

Brickwork Ratings assigns 'BWR BBB-' (Outlook: Stable)/ 'BWR A3' Ratings for the Bank Loan Facilities of Premier Cables And Conductors Private Limited

Brickwork Ratings has assigned the **Rating**[1] for the Bank Loan Facilities of Premier Cables And Conductors Private Limited ('PCCPL' *or the 'Company'*), amounting to ₹ 25.00 Cr, as follows:

Facility	Tenure	Limits (₹ Cr)	Ratings[1]
Fund Based **CC**	**Long Term**	**7.00**	**BWR BBB-** **(Pronounced BWR Triple B Minus)** **Outlook: Stable**
Non Fund Based **LC** **(BG)**	**Short Term**	**18.00** **(18.00)**	**BWR A3** **(Pronounced BWR A Three)**
Total		**25.00 (INR Twenty Five Crores Only)**	

BWR has principally relied upon the audited financials of Premier Cables And Conductors Private Limited up-to FY15, provisional financials for FY16, projections up-to FY19 and publicly available information and information/ clarifications provided by the management.

The Ratings draw strength from the promoters' experience in Cables and Wire Industry, clientele mainly being govt. entities, reputed suppliers, synergy from similar business group companies (Flagship Company of the Group, 'Gupta Power Infrastructure Limited' being rated ICRA A-/ A2+), healthy order book position and y-o-y improvement in the overall financial profile such as top-line, leverage position, coverage capacity, liquidity profile etc.

The Ratings are however constrained by relatively moderate scale of operations marked by low capacity utilization, thin margins and moderate net-worth level.

Background

Premier Cables And Conductors Private Limited is an Odisha based company, incorporated in the year 1991. Mr. Manmohan Gupta, Mrs. Sushila Gupta and Mr. Kushal Kumar Gupta are the current directors of the Company

The company is engaged in manufacturing of different types of aluminium conductors since its inception. From 2007-08, the company developed facilities to manufacture aluminium cables as well. 'PCCPL's product portfolio includes All Aluminium Conductors (AAC), All Aluminium Alloy Conductors (AAAC), Aluminium Conductor Steel Reinforced (ACSR), Aerial Bunched Cables (AB cables), PVC insulated Cables etc. The Company's plant with an installed capacity

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

~34207 MTPA is located in Gangapada, Khurda, Odisha. 'PCCPL's clientele mainly includes State Power Utilities.

'PCCPL' is a part of Gupta Group of Companies. 'Gupta Power Infrastructure Limited', (rated ICRA A-/A2+ in June 2016) is the flagship company of the Group being engaged in the manufacturing of Aluminium Cable and Conductors.

Management Profile

Mr. Manmohan Gupta, Smt. Sushila Gupta and Mr. Kushal Kumar Gupta are the current directors of the Company. Smt. Sushila Gupta with three decades of experience looks after the overall administration of the Company. Mr. Manmohan Gupta and Mr. Kushal Kumar Gupta take care of the marketing, finance and operations of the Company.

Financial Performance

PCCPL's sales and PAT stood at ₹ 201.34 Cr and ₹ 0.60 Cr respectively during FY15. The Company has reported improvements in the both top-line and bottom-line during FY16 (Prov), by way of improving its capacity utilization level. PCCPL's Tangible Net-worth stood at a moderate level coupled with a gearing of ~0.80x in FY16 (Prov). The Company's Interest Coverage Ratio, liquidity position and Working Capital Cycle remain comfortable in FY16.

Rating Outlook

The outlook is expected to be stable for the current year. Going forward, the Company's ability to sustain its growth trend with improved capacity utilization, improvement in margins and net-worth profile would remain the key rating sensitivities.

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