**Rating Rationale**

**Stellar Cables & Infrastructure Pvt Ltd**

**9th Mar 2017**

**Brickwork Ratings has reaffirmed the ratings for the Bank Loan Facilities of Stellar Cables & Infrastructure Pvt. Ltd.**

**Particulars**

| Facility Rated | Amount (Rs. Crs) | | Tenure | Rating * | |
|---|---|---|---|---|---|
| | Previous | Present | | Previous | Present |
| **Fund Based Limits** | | | | | |
| Cash Credit | 14.00 | 16.00 | Long Term | **BWR BB Outlook: Stable** (Pronounced as BWR Double B) | **BWR BB Outlook: Stable** (Pronounced as BWR Double B) |
| Sub limit_WCDL | - | (12.00) | | | |
| **Non-Fund Based Limits** | | | | | |
| Bank Guarantee | 20.00 | 12.00 | Short Term | **BWR A4+** (Pronounced as BWR A Four Plus) | **BWR A4+** (Pronounced as BWR A Four Plus) |
| Sub limit_Bank Guarantee | - | (2.00) | | | |
| **Total** | **34.00** | **28.00** | **Rs. 28.00 Crores (Rupees Twenty Eight Crores Only.)** | | |

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

**Rating Reaffirmed:**

Brickwork Ratings (BWR) has reaffirmed rating for Bank Loan Facilities of Rs. 28.00 Crs of Stellar Cables & Infrastructure Pvt Ltd ('SCIPL' or 'the company').

**Rationale/Description of Key Rating Drivers/Rating sensitivities:**

BWR has essentially relied upon the audited financial results of the company up to FY16, projections upto FY18 and publicly available information and information /clarifications provided by the management.

The rating has factored in inter-alia, the promoters experience in the copper conductor and wire industry, healthy order book position and increased utilization capacity. However, the ratings are constrained by modest scale of operations, working capital intensive nature of operations, low profitability margins, customer concentration risk and intense competition in copper conductor and wire industry.
Going forward, the ability of the company to increase its scale of operations with improvement in profit margins and effective working capital management would be key rating sensitivities.

## About the Company

SCIPL was incorporated in 2007 by Mr. Anand Gupta in Lucknow, Uttar Pradesh. The company is manufacturer of uninsulated copper and aluminium coductors. It has an installed capacity of 20 MT per day and utilizes around 60% of it. Mr. Anand Gupta, Mrs. Usha Gupta, Mrs. Priyanka Gupta are the directors of the company.

## Company Financial Performance

As per audited financial statement of FY16, the company has reported net sales/revenue of Rs. 43.11 Crs and net profit of Rs. 0.22 crs against net sales of Rs. 41.03 crs and PAT of Rs. 0.20 Crs in FY15.

## Rating History for the last three years (including withdrawn/suspended ratings)

| Sl. No. | Instrument/Facility | Current Rating (Year 2017) | | | Rating History | | |
|---|---|---|---|---|---|---|---|
| | | Type (Long Term/Short Term) | Amount (Rs Crs) | Rating | 2016 | 2015 | 2014 |
| 1 | OCC | Long Term | 16.00 | **BWR BB** (Pronounced as BWR Double B) | 14.00 | - | - |
| | Sub Limit_WCDL | | (12.00) | | - | - | - |
| 2 | Bank Guarantee | Short Term | 12.00 | **BWR A4+** (Pronounced as BWR A Four Plus) | 20.00 | - | - |
| 3 | Sub limit _Bank Guarantee | | (2.00) | | - | - | - |

## Status of non-cooperation with previous CRA - Not Applicable

## Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- Manufacturing Companies
- Short Term Debt

| Analytical Contacts | Media |
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**For print and digital media**

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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

## About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.