

## BPL hits upper circuit for 10th straight trading session, zooms 86%

The stock hit a 52-week high of Rs 60.75, having rallied 86% in the past two weeks from Rs 32.60

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Shares of consumer electronics company BPL were locked in the upper circuit for the tenth straight trading day, up 5 per cent at Rs 60.75 on the BSE on Thursday. The stock is quoting at its 52-week high level, having rallied 86 per cent in the past two weeks. In comparison, the S&P BSE Sensex was down 0.02 per cent at 58,237 points at 12:10 pm.

Over 90,000 equity shares had changed hands on the counter and there were pending buy orders for 534,599 shares on the NSE and BSE, data shows. Currently, BPL is trading under the T group on the BSE. In the T2T segment, each trade has to result in delivery and no intra-day netting of positions is allowed.

According to BPL, the electronic industry is poised for better growth, buoyed by the government's 'Make in India' policies. Currently, nearly 85 per cent of Printed Circuit Boards (PCBs) are imported by and therefore this is one of the components that are being seriously considered for import substitution. This is a huge opportunity and the electronic manufacturing companies have participated in the Production Linked Incentives (PLI) schemes of the government and expanded their capabilities and capacities, the company said

"The size and quality of new business opportunities have grown considerably over the past few months. The company has taken appropriate steps towards strengthening the PCB Portfolio, through working on new products like RF PCBs. These new products represent a profitable new direction for the company's PCB Division," BPL said in the financial year 2020-21 (FY21) annual report.

**In July 2021, Brickwork Ratings (BWR) reaffirmed the ratings for the bank loan facilities of BPL. The company and the promoters have a long track record of around three decades and extensive experience in the PCB and consumer durables industry, which has helped them in understanding the business cycles, establishing relationships with suppliers and customers, obtaining repeat orders and addressing associated inherent risks, the agency said in its rating rationale.**

The company added new customers like Havells, Crompton Greaves during FY20 that are likely to support the envisaged increased sales from the manufacturing of PCBs. PCB sales were around 22 per cent of the company's revenue in FY20 which increased to around 69 per cent in FY21.

BWR believes BPL's business risk profile will be maintained over the medium term. The outlook may be revised to 'Negative' if the company reports significantly lower than expected performance resulting in further deterioration of coverage indicators, delay in recovering advances from the related parties, further delays in redemption of the preference shares of ~Rs 54 crore and weakening of liquidity position, it added.