

AUGUST 19, 2015

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
SINGHI CABLES AND CONDUCTORS PVT. LTD.**

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Remarks
Long-term Bank Facilities	2	CARE BB- (Double B Minus)	Reaffirmed
Short-term Bank Facilities	18 (enhanced from 13)	CARE A4 (A Four)	Reaffirmed
Total Facilities	20 (Rupees Twenty crore only)		

Rating Rationale

The ratings assigned to the bank facilities of Singhi Cables and Conductors Pvt. Ltd. (SCCPL) continue to be constrained by its relatively small scale of operations in a highly fragmented and competitive industry, susceptibility of profitability margins to volatile raw material prices and working capital intensive nature of operations.

The aforesaid constraints are partially offset by the long track record and experience of the promoters in the industry, comfortable capital structure and satisfactory order book position.

SCCPL's ability to grow its scale of operations while improving its profitability margins combat the pressure of volatility in raw material prices & effective management of working capital would be the key rating sensitivities.

Background

Singhi Cables and Conductors Pvt. Ltd. (SCCPL), incorporated in October 1989 by two brothers Mr Ashok Kr Agarwalla and Mr Suresh Kr Agarwalla, based out of Jorhat, Assam, is engaged in manufacturing of aluminium conductors and PVC cables. In 2008-09, the company commenced the production of PVC cables and also entered into the execution of rural electrification projects on a turnkey basis under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). The product portfolio comprises All Aluminium Alloy Conductors (AAAC), All Aluminium Conductors (AAC), Aluminium Conductors Steel Reinforced (ACSR), stay wire, aluminium alloy wire and PVC cable. The manufacturing facility of the company is located at Titabor in Jorhat, Assam with an installed capacity of 6,375 MTPA for aluminium conductors and 6,750 MTPA for PVC cables. The cables and conductors find its application in power generating and distributing companies. The customer base of the company comprises State Electricity Boards (SEBs). Besides the company also executes contracts for private parties which in turn receive orders from SEBs.

SCCPL has an associate concern i.e. Win-Power Infra Pvt. Ltd. (rated CRISIL BB/A4+), engaged in construction of extra high voltage (EHV), high- and low-tension power transmission lines and substations. The total operating income of Winpower Infra Pvt. Ltd. stood at Rs.120 crore in FY14 (refers to the period April 1 to March 31).

In FY14, the company achieved a total operating income of Rs.14.69 crore and PAT of Rs.0.70 crore as against a total operating income of Rs.18.66 crore and PAT of Rs.1.24 crore in FY13. Furthermore, in FY15 (Provisional), the company has maintained to have achieved a turnover of around Rs.24.88 crore.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Name: Avinava Adhikary

Tel # 033-40181660

Mobile # 9836230249

Email: avinava.adhikary@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CONTACT**Head Office Mumbai****Mr. D.R. Dogra**

Managing Director

Mobile: +91-98204 16002

E-mail: dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Mobile: +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Ms. Meenal Sikchi

Vice President - Bank Loan & Instrument Rating

Mobile: +91-9819009839

E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva

Vice President - Bank Loan & Financial Services

Mobile: +91-9819698985

E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069

Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

AHMEDABAD**Mr. Mehul Pandya**

32, Titanium, Prahaladnagar Corporate Road,

Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com

JAIPUR**Mr. Harsh Raj Sankhla**

304, Pashupati Akshat Heights, Plot No. D-91,

Madho Singh Road, Near Collectorate Circle,

Bani Park, Jaipur - 302 016.

Cell: +91 - 94139 69100

Tel: +91-141-402 0213 / 14

E-mail: harshraj.sankhla@careratings.com

BENGALURU**Mr. Dinesh Sharma**

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,

No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-99000 41975

Tel: +91-80-4115 0445, 4165 4529

E-mail: dinesh.sharma@careratings.com

KOLKATA**Ms. Priti Agarwal**

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)

10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com

CHANDIGARH**Mr. Sajan Goyal**

2nd Floor, S.C.O. 196-197, Sector 34-A,

Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com

NEW DELHI**Ms. Swati Agrawal**

13th Floor, E-1 Block, Videocon Tower,

Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com

CHENNAI**Mr. V Pradeep Kumar**

Unit No. O-509/C, Spencer Plaza, 5th Floor,

No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com

PUNE**Mr. Rahul Patni**

9th Floor, Pride Kumar Senate,

Plot No. 970, Bhamburda, Senapati Bapat Road,

Shivaji Nagar, Pune - 411 015.

Cell: +91-78754 33355

Tel: +91-20- 4000 9000

E-mail: rahul.patni@careratings.com

HYDERABAD**Mr. Saikat Roy**

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,

Hyderabad - 500 029.

Tel: +91-40-4010 2030

E-mail: saikat.roy@careratings.com

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