

APRIL 17, 2015

CARE ASSIGNS 'CARE BBB-' AND 'CARE A3' RATINGS TO THE BANK FACILITIES OF CMI LTD

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	25	CARE BBB- (Triple B Minus)	Assigned
Short-term Bank Facilities	40	CARE A3 (A Three)	Assigned
Total	65		

Rating Rationale

The ratings assigned to the bank facilities of CMI Ltd (CMI) derive strength from experienced promoters and their demonstrated financial commitment including equity infusion in FY15 (refers to the period April 1 to March 31), long track record of operations of CMI with diversified product profile, consistent revenue growth, stable operating margins and improvement in overall gearing in FY15. However, the ratings are constrained by moderate scale of operations, customer concentration risk, working capital-intensive nature of operations and competitive nature of the cable sector.

Going forward, the ability of CMI to profitably scale-up the operations coupled with improvement in overall gearing and effective working capital management remains the key rating sensitivities.

Background

CMI Ltd (CMI) was incorporated in 1967 originally under the name of Choudhari Metal Industries Private Limited and the operations commenced in 1974. The name of the company was changed to CMI Private Limited w.e.f. November 7, 1985. The Jain family took over the management of the company in 2007 with Mr Amit Jain being the Chairman and Managing Director. The company is listed on Bombay Stock Exchange with promoters holding 42.73% equity stake as on March 31, 2015 [primarily held by Mr Jain (38.37%)] while remaining is non-promoters holding including body corporate, individuals, etc.

CMI is engaged in the manufacturing various types of customized cables that include Signalling, Instrumentation, Control, Power, Telecommunication cables, etc. The installed capacity stood at 18,000 km with capacity utilization of around 70% as on March 31, 2014.

CMI reported a PAT of Rs.1.77 crore on a total income of Rs.106.33 crore for FY14 (refers to the period April 01 to March 31) as compared with a PAT of Rs.0.96 crore on a total income of Rs.89.17 crore for FY13. As per the provisional results for 9MFY15 (refers to the period April 01 to December 31), the company reported a PAT of Rs.4.24 crore on a total operating income of Rs.96.99 crore.

Detailed rating rationale of Globe Ground India Pvt Ltd. (GGI) is available at www.careratings.com

Analyst Contact

Name: Harsh Gaba

Tel: 011-45333257

Email: harsh.gaba@careratings.com

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

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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

CIN - L67190MH1993PLC071691