
August 10, 2010

CARE ASSIGNS 'CARE BB+' AND 'PR4+' RATING TO THE BANK FACILITIES OF ANAMIKA CONDUCTORS LTD.

<i>Ratings</i> Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	22.41	'CARE BB+' (Double B Plus)	Assigned
Short-term Bank Facilities	24.15	'PR4+' (PR Four Plus)	Assigned
Total Facilities	46.56		

Rating Rationale

The ratings are constrained by ACL's relatively small-sized operations having low profitability mainly due to the limited value addition and high overall gearing. The fragmented nature of the industry with stiff competition and low entry barriers further constrain the ratings. The ratings take into account ACL's established operations managed by experienced promoters and long association with major clientele. The rating also factor in the fact that majority of sales orders have price variation clause which provide cushion against volatility in raw material prices.

ACL's ability to increase the scale of operations with more value-added products and consequent improvement in its financial risk profile are key rating sensitivities.

Company Profile

Jaipur based, Anamika Conductors Ltd (ACL) was incorporated as Anamika Conductors Pvt Ltd in 1988 for manufacturing aluminium cables and conductors used in transmission line for electricity supply. The company is headed by Shri Sharad Bakliwal, Chairman having experience of more than 20 years in the business of cables and conductors. ACL manufactures wide range of aluminium cables & conductors such as Aluminium Conductor Steel Reinforced (ACSR), All Aluminium Alloy Conductor (AAC) and Cross Linked Polyethylene Insulated Aluminium Conductor (XLPE cable) etc. As on Mar.31, 2010, ACL had installed capacity of 18,000 KM per annum for making cables and conductors.

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

For FY10, ACL reported operating income of Rs.117.18 crore with PAT of Rs.2.28 crore, which were at Rs.106.82 crore and Rs.1.26 crore respectively during FY09.

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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.

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