

Dt: 04.02.2019

To,

BSE Limited
Regd. Office: 25thFloor,
P.J.Towers, Dalal Street,
Fort, Mumbai -400 001

Ref: B.C. Power Controls Limited, Scrip Code-**537766**, ISIN No- **INE905P01028**

Sub: INTIMATION OF WITHDRAWAL OF CREDIT RATING

Dear Sir,

This is to inform you that at the request of the Company, the India Rating India Rating & Research Private Limited has withdrawn its rating to the Company, as now the Company is not required a rating from any agency; a copy of the withdrawal letter is attached herewith.

Kindly acknowledge receipt and take it on your record.

Thanking You,

FOR B.C. POWER CONTROLS LIMITED


(ARUN KUMAR JAIN)
MANAGING DIRECTOR
DIN: 00438324



India Ratings Affirms and Withdraws BC Power Controls' Ratings

24

JAN 2020

By Sohini Sur

India Ratings and Research (Ind-Ra) has affirmed and withdrawn BC Power Controls Limited's (BCPCL) Long-Term Issuer Rating of 'IND BB+'. The Outlook was Negative. The instrument-wise rating actions are given below:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating	Rating Action
Fund-based limits*	-	-	-	INR340	WD	Affirmed & Withdrawn

*Affirmed at 'IND BB+'/'Negative'/'IND A4+' before being withdrawn.

Ind-Ra is no longer required to maintain the ratings, as the agency has received a no-objection certificate from the lender. This is consistent with the Securities and Exchange Board of India's circular dated 31 March 2017 for credit rating agencies.

KEY RATING DRIVERS

The affirmation reflects the company's continued moderate scale of operations. The company's FY19 revenue declined to INR4,836 million (FY18:INR4,934 million) due to decreased order execution.

The ratings further reflect BCPCL's modest credit metrics. Interest coverage (operating EBITDA/gross interest expense) deteriorated to 1.77x in FY19 (FY18: 4.75x) and net financial leverage (total adjusted net debt/operating EBITDAR) to 2.84x, due to increase in total debt, resulting in increased interest expenses.

The ratings factor in the company's average EBITDA margin, which contracted to 1.7% in FY19 (FY18: 2%) due to an increase in the raw material costs. The return on capital employed stood at 15% in FY19 (FY18: 19%).

Liquidity Indicator- Stretched: BCPCL's average working capital utilisation of fund-based limits stood at around 83% during the last 12 months ended October 2019. The cash flow from operations was negative at INR332.72 million (FY18:INR410 million) and its cash and cash equivalents stood at INR22.69 million at FYE19 (FYE18:INR265 million).

The ratings, however, are supported by the company's promoters' over two decades of experience in the metallurgy industry.

RATING SENSITIVITIES

COMPANY PROFILE

Formed in 2008, BCPCL manufactures and trades copper wires and cables. It has a manufacturing facility in Bhiwadi (Rajasthan). Its product portfolio includes armoured and unarmoured cables, flexible and house wires, submersible cables, and control and instrumentation cables.

The company reported 1HFY20 revenue of INR1,240 million (1HFY19:INR2,895 million) and EBITDA margin of 3.66%. Its 1HFY20 interest coverage stood at 2.47x.

FINANCIAL SUMMARY

Particulars	FY19	FY18
Revenue (INR million)	4,836	4,934
Operating EBITDA (INR million)	81.38	97
EBITDA margin (%)	1.68	2
Interest coverage (x)	1.77	4.7
Net leverage (x)	2.84	-
Source: BCPL, Ind-Ra		

RATING HISTORY

Instrument Type			Current Rating	Historical Rating/Outlook	
	Rating Type	Rated Limits (million)		22 February 2019	19 December 2017
Issuer rating	Long-term	-	WD	IND BB+/Negative	IND BB/Stable
Fund-based limits	Long-/short-term	INR340	WD	IND BB+/Negative/IND A4+	IND BB/Stable/IND A4+

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

ABOUT INDIA RATINGS AND RESEARCH

About India Ratings and Research: India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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Applicable Criteria

[Corporate Rating Methodology](#)

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