



PG ELECTROPLAST LIMITED

CIN-L32109DL2003PLC119416

Corporate Office :

P-4/2, 4/3, 4/4, 4/5, 4/6, Site-B, UPSIDC Industrial Area, Surajpur
Greater Noida-201306, Distt. Gautam Budh Nagar (U.P.) India

Phones # 91-120-2569323, Fax # 91-120-2569131

E-mail # info@pgel.in Website # www.pgel.in

8th July 2017

To,
The Manager (Listing)
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To,
The Manager (Listing)
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051

Scrip Code: 533581

Scrip Symbol: PGEL

Dear Sir,

Sub: Assignment of credit rating

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that India Rating and Research Private Limited has assigned to PG Electroplast Ltd. a long term issuer rating "IND BBB-". The instrument-wise assigned rating are given below:

Instrument / Issuer Rating	Amount (in Mln.)	Currency	Rating / Action	Outlook
Long Term Issuer Rating		INR	Long Term ; IND BBB-	Stable
Fund Based Working Capital Limit	150	INR	Long Term ; IND BBB-	Stable
Non-Fund Based Working Capital Limit	180	INR	Short Term ; IND A3	
Term loan	290	INR	Long Term ; IND BBB-	Stable

Prior to this, the Company has informed the Stock Exchange on 26th July 2016 that ICRA Limited had assigned on its long-term rating of [ICRA]BB (pronounced ICRA double B; outlook- Stable) to ₹ 50.00 crore fund based and non-fund based bank facilities of PG Electroplast Ltd.

A copy of report from Credit rating agency-India ratings is attached with this letter. Kindly take the above information on your record.

Thanking you,
For **PG Electroplast Limited**

Rahul Kumar

(Rahul Kumar)
Company Secretary



■ **Registered Office**
DTL-209, Second Floor

India Ratings Assigns PG Electroplast 'IND BBB-'; Outlook Stable

04

By Vivek Kumar Choudhary

JUL 2017

India Ratings and Research (Ind-Ra) has assigned PG Electroplast Limited (PGEL) a Long-Term Issuer Rating of 'IND BBB-'. The Outlook is Stable. The instrument-wise rating actions are given below:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Fund-based working capital limit	-	-	-	INR150	IND BBB-/Stable	Assigned
Term loan	-	-	December 2021	INR290	IND BBB-/Stable	Assigned
Non-fund-based working capital limit	-	-	-	INR180	IND A3	Assigned

KEY RATING DRIVERS

Moderate Scale of Operations: Revenue grew at a CAGR of 18.95% to INR3.67 billion over FY14-FY17 (FY16: INR2.6 billion; FY15: INR2.39 billion) on account of increased orders from existing and new customers.

Comfortable Credit Metrics: PGEL's gross interest coverage improved to 2.2x in FY17 (FY16: 2.0x; FY15: 1.2x) owing to an increase in EBITDA, while net leverage deteriorated to 4.8x (4.3x; 7.3x) due to an increase in long-term debt for capacity enhancement of existing facilities and short-term debt for funding its working capital requirement.

Diversified Product Portfolio: The company's product portfolio includes plastic moulded products, printed circuit boards, mobile and various types of kitchen appliances. This large portfolio helps the company to cater to consumer electronics, home and kitchen appliances and automotive industries, resulting in low dependency on any particular sector.

Experienced Promoters: The promoters have more than two decades of experience in the plastic moulding business, which helps the company in securing repeated orders.

Reputed Clientele: PGEL has over 10-15 years of established relationship with customers such as LG Electronics India Private Limited, SMR Automotive Systems India Limited, Jaquar & Company Private Limited, Voltas Limited, Usha International Limited, Orient Electric (a division of Orient Paper & Industries Limited), LAVA International Limited and Carrier Midea India Ltd.

Moderate Liquidity: The company had a net cash cycle of 42-50 days during FY15-FY17. It recorded negative cash flow from operations of INR78 million in FY17 (FY16: INR148 million) owing to an increase in net working capital requirement. PGEL's maximum use of fund-based working capital limits was 90% during the 12 months ended May 2017.

Volatile EBITDA Margins: Operating EBITDA margins was between 5.0% and 7.3% over FY15-FY17 owing to fluctuation in raw material prices. Plastic granules, which are the major raw materials, are highly price sensitive as it is linked with crude oil prices.

RATING SENSITIVITIES

Positive: A substantial improvement in the credit metrics with net leverage below 3.0x would be positive for the ratings.

Negative: Deterioration in the credit metrics with net leverage sustaining above 4.5x would be negative for the ratings.

COMPANY PROFILE

Incorporated in 2003 by Pramod Gupta, PGEL is engaged in diversified electronic manufacturing services and plastic injection moulding. The company is also involved in assembly of printed circuit board on turnkey basis.

It is a listed on the Bombay Stock Exchange and National Stock Exchange since 2011.

PGEL has five manufacturing facilities - three in Noida, Uttar Pradesh, one in Pune, Maharashtra and one in Roorkee, Uttarakhand.

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

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, structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has six branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad and Kolkata. 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

Analyst Names

Primary Analyst

Vivek Kumar Choudhary

Analyst

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