



Universal Power Products

Instrument	Amount	Rating action
	In Rs. Crore	As on February 2012
Working Capital Limits	12.0	[ICRA]BBB <i>assigned</i>
LC	8.0	[ICRA]A3+ <i>assigned</i>

ICRA has assigned [ICRA]BBB (pronounced ICRA Triple B) rating to Rs. 12.0 crore* Fund Based Limits of Universal Power Products (UPP)[†]. ICRA has also assigned [ICRA]A3+ (pronounced ICRAA three plus) rating to Rs. 8.0 crore Non-Fund Based limits of UPP. The outlook on the long-term rating is stable.

The ratings assigned take into consideration UPP's experienced management, promoter's long track record of operations in its core business of inverter and uninterrupted power supply (UPS) business, access to fiscal benefits and the benefits enjoyed by UPP on account of being a part of Microtek Group namely established brand image and extensive distribution network. These factors have profitable operations in its very first year of operations and this is likely to be sustained going forward. The ratings also take comfort from UPP's low gearing with debt primarily comprising of working capital borrowings and its adequate debt coverage indicators (Net cash accruals/ Debt of 154% in FY11). The ratings are however constrained by UPP's moderate scale of operations, highly competitive nature of industry which may exert pressure on its margins and risks inherent in partnership firms like limited ability to raise capital and risk of dissolution due to death/retirement/insolvency of proprietor etc.

Company Profile:

Universal Power Product (UPP), a partnership firm established in May 2006 is engaged in the business of manufacturing of Uninterrupted Power Supply (UPS), both offline and online, and inverters. The firm sells its product under the brand name of "Microtek". The firm started commercial production in March 2010. The manufacturing unit of the firm is situated in Parwanoo, Himachal Pradesh with total installed capacity of 8 lakh units per annum.

Recent Results

In 2010-11, the company recorded sales of Rs. 67.32 crore and posted a profit before tax (PBT) of Rs. 6.56 crore.

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For further details please contact:

Analyst Contacts:

Mr. Sabyasachi Majumdar (Tel. No. +91 124 4545304)
sabyasachi@icraindia.com

Relationship Contacts:

Mr. Vivek Mathur (Tel. No. +91-124-4545310)
vivek@icraindia.com

* 100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions, please refer ICRA's website www.icra.in or other ICRA rating publications



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**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**Mobile: **9871221122**Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91-124-4545350

Mumbai**Mr. L. Shivakumar**Mobile: **91-22-30470005/9821086490**Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Ph : +91-22-2433 1046/ 1053/ 1062/ 1074/ 1086/ 1087
Fax : +91-22-2433 1390

Kolkata**Ms. Anuradha Ray**Mobile: **91-33-22813158/9831086462**Email: anuradha@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna, 234/ 3A, A.J.C. Bose
Road, Kolkata-700020.
Tel: +91-33-2287 6617/ 8839/ 2280 0008
Fax: +91-33-2287 0728

Chennai**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre, 498 Anna Salai, Nandanam,
Chennai-600035.
Tel: +91-44-2433 3293/ 94, 2434 0043/ 9659/ 8080, 2433
0724, Fax:91-44-24343663

Bangalore**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

2 nd Floor. ,Vayudhoot Chambers, Trinity Circle, 15-16
M.G.Road, Bangalore-560001.
Tel:91-80-25597401/ 4049 Fax:91-80-25594065

Ahmedabad**Mr. L. Shivakumar**Mobile: **9821086490**Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585494, 26582008,26585049, 26584924
TeleFax:+91-79- 2648 4924

Pune**Mr. L. Shivakumar**Mobile: **9821086490**Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range Hills
Road, Shivajinagar,Pune-411 020
Tel : (91 20) 2556 1194 -96; Fax : (91 20) 2556 1231

Hyderabad**Mr. M.S.K. Aditya**Mobile: **9963253777**Email: adityamsk@icraindia.com

301, CONCOURSE, 3rd Floor, No. 7-1-58, Ameerpet,
Hyderabad 500 016.
Tel: +91-40-2373 5061 /7251 Fax: +91-40- 2373 5152