

Pramukh Exim Private Limited

Instrument	Amount Rated	Rating Action
Cash Credit Limits	Rs. 4.00 crore	[ICRA]C- assigned
Bill Discounting under LC	Rs. 10.00 crore	[ICRA]A4 assigned

The long term rating of [ICRA]C- (pronounced ICRA C minus) has been assigned to the Rs. 4.00 crore¹ cash credit facility. ICRA has also assigned the short term rating of [ICRA]A4 to the Rs. 10.00 crore Bill Discounting under LC facility of Pramukh Exim Private Limited (PEPL)².

The assigned ratings are constrained by past history of overdrawal of its sanctioned limits on account of liquidity issues; though the company's utilisation has remained within the sanctioned limits over the past six months. Further, the rating is also constrained by tight liquidity position of the company as reflected by fully utilized working capital limits along with temporary overdrafts sanctioned by the bank at various instances in the past coupled with company's moderate financial profile characterised by low profitability and modest coverage indicators. The ratings further takes into account the relatively modest size of operations with concentration on single product i.e. salt; highly competitive business environment owing to low entry barriers resulting in intense competitive pressures from both organised as well as unorganised players and the exposure to seasonality associated with the salt business.

The ratings, however, positively considers the long standing experience of promoters in salt industry through other group concerns; the locational advantage enjoyed by the company on account of its proximity to Kutch which offers ease of raw material procurement and ease of finished goods transportation due to proximity of Kandla port; and the support of group concern in form of uninterrupted salt supply.

Entity Profile

Incorporated in 2009, PEPL is primarily engaged in the export trading of salt in various countries. Pramukh International was established as a proprietorship concern of Mr. Pushpendra Thakker in 2004. It was subsequently converted to a partnership firm in the year 2007 and into a closely held private limited company in the year 2009. Mr. Shambhu Humbal and Mr. Puspendra Thakkar are the key promoters of the company. PEPL is also engaged in trading of pine wood, veneer, waste paper, bentonite, fly ash, eucalyptus red grandis, etc. and has started vessel charting and stevedoring services from FY 2013-14. Group concerns of PEPL are engaged in salt manufacturing.

Recent Results

For the year ended March 31, 2015, PEPL reported an operating income (OI) of Rs. 40.7 crore and profit after tax (PAT) of Rs 0.3 crore as against an OI of Rs. 53.3 crore and PAT of Rs. 0.4 crore for the year ended March 31, 2014. Further, during the period 11M FY 2016, PEPL reported a PAT of Rs 0.6 crore on an Operating Income (OI) of Rs 45.74 crore.

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For further details, please contact:

Analyst Contacts:

Mr. Subrata Ray (Tel. No. +91 22 6114 3408)
subrata@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91-80-43326401)
jayantac@icraindia.com

¹ 100 lakhs = 1 crore = 10 million

² For complete rating scale and definitions, please refer to 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- 124-4050424

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

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**Mobile: **+91 9903394664**Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

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

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

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

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**Mobile: **989986490**Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**Mobile: **989986490**Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

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

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500