



Date: 31st May, 2025

To,
BSE Limited
25th Floor, P. J. Towers, Dalal Street,
Fort, Mumbai-400001

Scrip Code: 544330

Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 - Reaffirmation of the Credit Rating by CRISIL.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and SEBI Master Circular dated 11th November, 2024 ("SEBI Circular"), we wish to inform you that CRISIL, a Credit Rating Agency, has communicated to the Company regarding the Reaffirmation of its following ratings for Bank Loan Facilities availed by the Company:

- ☐ Long Term Rating: CRISIL BBB-/Stable
- ☐ Short Term Rating: CRISIL A3

The Rating Letter issued by CRISIL with necessary details is enclosed herewith.

Kindly acknowledge the receipt of the same and take the above on record.

Thanking You,

Yours Faithfully,

For Parmeshwar Metal Limited

Shantilal Shah
Managing Director

Encl.: As Above

Rating rationale
Parmeshwar Metal Ltd
Ratings reaffirmed

Rating action

Total Bank Loan Facilities Rated	Rs.28.12 Crore
Long Term Rating	Crisil BBB-/Stable (Reaffirmed)
Short Term Rating	Crisil A3 (Reaffirmed)

Detailed rationale

Crisil Ratings has reaffirmed its 'Crisil BBB-/Stable/Crisil A3' ratings on the bank facilities of Parmeshwar Metal Ltd (PML).

The ratings factor in the strengthening of the financial risk profile. Equity raised by PML through its initial public offering (SME-IPO) in January 2025 increased adjusted networth to Rs 70.68 crore as on March 31, 2025 (Rs 37.32 crore as on March 31, 2024), against external debt of Rs 10.20 crore (Rs 20.08 crore as on March 31, 2024). With no major external debt expected over the medium term, capital structure will remain strong.

The ratings continue to reflect the extensive experience of the promoters in the copper rods and wires industry and a healthy financial risk profile. These strengths are partially offset by susceptibility of operating margin to fluctuations in raw material prices and exposure to intense competition.

Analytical approach: Unsecured loan of Rs 1.00 crore as on March 31, 2025, has been treated as debt as these are need-based funds.

Key rating drivers and detailed description

Strengths

Extensive industry experience of the promoters: The promoters have experience of over 15 years in the copper rods and wires industry. This has given them an understanding of the market dynamics and enabled them to establish relationships with suppliers and customers. Revenue grew at compound annual rate of 13% in the past three fiscals to Rs 1,368 crore in fiscal 2025 (Rs 1,100 crore in fiscal 2024).

Healthy financial risk profile: Gearing and total outside liabilities to tangible networth ratio were strong at 0.16 time and 0.50 time, respectively, as on March 31, 2025, owing to healthy networth of Rs 70.68 crore. The capital structure will likely remain stable over the medium term with no major debt-funded capital expenditure (capex) plan and steady accretion to reserve, aided by strong revenue and profitability as well as Rs 3.13 crore of capex funded through IPO proceeds. Debt protection metrics were comfortable, as reflected in interest coverage and net cash accrual to adjusted debt ratios of 8.88 times and 1.06 times, respectively, in fiscal 2025, and are expected to improve over the medium term, driven by low reliance on external debt and steady accretion to reserve.

Weakness

Susceptibility of operating margin to fluctuations in raw material prices: As raw material cost accounted for 96-97% of the production cost in 2025, the operating profitability remained vulnerable to volatility in raw material prices. Also, intense competition in the copper industry and low value addition will keep the operating margin at similar levels over the medium term.

Exposure to intense competition: Low entry barriers and limited differentiation in the end-product have led to intense competition in the copper industry. Competition from other large players limits the ability to control market prices. These factors limit the bargaining power with customers and suppliers and thus, constrain profitability

Liquidity: Adequate

Bank limit utilisation was low at 54% on average for the 12 months through March 2025.

Cash accrual, expected at Rs 11.0-11.50 crore per fiscal, will be sufficient against nil term debt obligation over the medium term. In addition, it will cushion liquidity. Current ratio was healthy at 2.76 times as on March 31, 2025. The promoters have extended support in the form of unsecured loan of Rs 1.00 crore as on March 31, 2025, to meet the working capital requirement and debt obligation.

Low gearing and moderate networth support financial flexibility and will provide financial cushion in case of adverse conditions or downturns in the business.

Outlook: Stable

Crisil Ratings believes PML will continue to benefit from the extensive experience of the promoter and his established relationships with clients.

Rating sensitivity factors**Upward factors**

- Increase in operating margin to 2.5% and rise in revenue leading to cash accrual above Rs 15 crore
- Sustained improvement in the financial risk profile

Downward factors

- Decline in net cash accrual below Rs 8 crore on account of fall in revenue or operating profit
- Large, debt-funded capex weakening the capital structure
- Stretched working capital cycle weakening the liquidity and financial risk profile

About the company

Incorporated in 2016, PML manufactures copper rods and wires. Its unit in Dehgam, Gujarat, has installed capacity of 18,000 MTPA.

The company is owned and managed by Mr Shantilal Shah & Suchit Kumar Maheshbhai Patel, Piyush Giriraj Shah & Satyanarayan C. Jetheliya.

Key financial indicator			
As on / for the period ended March 31		2025	2024
Operating income	Rs crore	1382	1100
Reported profit after tax (PAT)	Rs crore	10.98	7.13
PAT margin	%	0.79	0.65
Adjusted debt / adjusted networth	Times	0.16	0.59
Interest coverage	Times	8.88	5.21

Annexure - Details of instrument(s)

ISIN	Name of instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Cr)	Complexity Levels	Rating Assigned with Outlook
NA	Cash credit	NA	NA	NA	26.87	NA	Crisil BBB-/Stable
NA	Bank guarantee	NA	NA	NA	1.25	NA	Crisil A3

Annexure – Details of bank lenders / facilities

Facility	Amount (Rs. Crore)	Name of Lender	Rating
Bank guarantee	1.25	State Bank of India	Crisil A3+
Cash credit	40.00	State Bank of India	Crisil BBB/Stable