

## Press Release

### Bothra Metals & Alloys Limited (BMAL)

17 July, 2017

#### Rating Reaffirmed



<b>Total Bank Facilities Rated*</b>	Rs. 77.00 Cr
<b>Long Term Rating</b>	SMERA D (Reaffirmed)

\*Refer Annexure for details

#### Rating Rationale

SMERA has reaffirmed the rating of **SMERA D (read as SMERA D)** assigned to the Rs. 77.00 crore bank facilities of Bothra Metals & Alloys Limited (BMAL).

BMAL, incorporated in 2001, is engaged in the manufacturing of aluminium extruded profiles, sections, ingots, billets and shots. BMAL also undertakes trading of aluminium scraps and sections.

The rating continues to reflect delays in debt servicing by the company and has thus been classified as a sub-standard account by its bankers

#### List of Key Rating Drivers and their detailed description

##### Strengths:

**Experienced promoters:** BMAL was promoted by Mr. Sundarlal Bothra, Mr. Narendra Kumar Bothra, Mr. Kishanlal Bothra and Mr. Sundarmal Bothra. The promoters have nearly a decade's experience in the metals industry.

##### Weakness:

**Delay in servicing debt obligations:** The rating reflects delays in servicing of debt obligations by BMAL. The company has been facing challenges in liquidating its inventory and has faced severe inventory write-downs on account of steep decline in metal prices. BMAL has been classified as a sub-standard account by its bankers

**Analytical approach:** SMERA has considered the standalone business and financial risk profile of the company.

#### Applicable Criteria

- Application of Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>

#### About the Rated Entity – Key Financials

The company reported net loss of Rs. 0.30 crore in FY2017 on operating income of Rs. 14.18 crore against net loss of Rs. 14.36 crore in FY2016 on operating income of Rs. 187.82 crore.

**Status of non-cooperation with previous CRA (if applicable):** India Ratings & Research Private Limited vide its Press Release dated 14 May, 2015 suspended the outstanding ratings on the bank facilities of Bothra Metals & Alloys Limited due to the lack of adequate information.

**Any other information:** NA

**Rating History for the last three years:**

Name of Instruments	FY2018 (Current)			FY2017		FY2016		FY2015	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Cash Credit	LT	40.39	SMERA D (Reaffirmed)	-	-	23 Mar, 2016	SMERA D (Downgraded from SMERA BBB-/Stable)	07 Jan, 2015	SMERA BB-/Stable (Assigned)
Term Loan	LT	1.61	SMERA D (Reaffirmed)	-	-	23 Mar, 2016	SMERA D (Downgraded from SMERA BBB-/Stable)	07 Jan, 2015	SMERA BB-/Stable (Assigned)
Inland/Import Letter of Credit	ST	6.50	SMERA D (Reaffirmed)	-	-	23 Mar, 2016	SMERA D (Downgraded from SMERA A3)	07 Jan, 2015	SMERA A3
Inland/Foreign Letter of Credit/Line of Credit/Buyer's Credit	ST	23.50	SMERA D (Reaffirmed)	-	-	23 Mar, 2016	SMERA D (Downgraded from SMERA A3)	07 Jan, 2015	SMERA A3
Inland/Foreign Letter of Credit/Line of Credit/Buyer's Credit (Proposed)	ST	5.00	SMERA D (Reaffirmed)	-	-	23 Mar, 2016	SMERA D (Downgraded from SMERA A3)	07 Jan, 2015	SMERA A3

**\*Annexure – Details of instruments rated:**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/ Outlook
Cash Credit	N.A	N.A	N.A	40.39	SMERA D (Reaffirmed)
Term Loan	N.A	N.A	N.A	1.61	SMERA D (Reaffirmed)
Inland/Import Letter of Credit	N.A	N.A	N.A	6.50	SMERA D (Reaffirmed)
Inland/Foreign Letter of Credit/Line of Credit/Buyer's Credit	N.A	N.A	N.A	23.50	SMERA D (Reaffirmed)
Inland/Foreign Letter of Credit/Line of Credit/Buyer's Credit (Proposed)	N.A	N.A	N.A	5.00	SMERA D (Reaffirmed)

**Note on complexity levels of the rated instrument:**

<https://www.smera.in/criteria-complexity-levels.htm>

**Contacts:**

Analytical	Rating Desk
Vinayak Nayak, Head – Ratings Operations, Tel: 022-67141190 Email: <a href="mailto:vinayak.nayak@smera.in">vinayak.nayak@smera.in</a>  Arindam Som, Rating Analyst, Tel: 011-49731321 Email: <a href="mailto:arindam.som@smera.in">arindam.som@smera.in</a>	Varsha Bist Manager Tel: 022-67141160 Email: <a href="mailto:varsha.bist@smera.in">varsha.bist@smera.in</a>

## ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit [www.smera.in](http://www.smera.in).

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.