

September 04, 2015

Facilities	Amount(Rs. Crore)	Ratings
Term Loans	13.35	SMERA BB+/Stable (Assigned)
Cash Credit	12.25	SMERA BB+/Stable (Assigned)
ILC/FLC/BG	4.00	SMERA A4+ (Assigned)
Proposed Facilities	0.40	SMERA BB+/Stable (Assigned)

SMERA has assigned a rating of '**SMERA BB+ (read as SMERA double B plus)**' to the Rs.26.00 crore long term facility and '**SMERA A4+ (read as SMERA A four plus)**' to the Rs.4.00 crore short term facility of Blue Stampings & Forging Limited (BSFL). The outlook is '**Stable**'. The ratings draw comfort from the experienced promoters, moderate financial risk profile and reputed clientele. However, the ratings remain constrained due to the company's susceptibility to cyclical in the auto industry, intense competition and high debt repayments in future.

Outlook: Stable

SMERA believes BSFL's outlook will remain Stable over medium term owing to its experienced management and long standing relationship with customers. The outlook may be revised to Positive if the company achieves higher than expected revenue. Conversely the outlook may be revised to Negative if the company achieves less than expected revenue, weakening its profitability margins.

Rating Sensitivity Factors

- Growth in automobile industry & Scalability of operations
- Working capital management
- Debt funded capex

About the Company

BSFL, incorporated in 1979 is engaged in the manufacture of forging products that find application in commercial vehicles, tractors, earth moving objects among others. The company has three units, namely - hammer forging unit, press forging unit and extrusion forging division. The manufacturing facilities of the company are located in Faridabad.

The company reported profit after tax (PAT) of Rs. 2.10 crore (provisional) on net sales of Rs.91.89 crore in FY2015 as against PAT of Rs.1.76 crore on net sales of Rs.93.79 crore in FY2014.

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