

## Press Release

### Global Technocrats Private Limited

May 10, 2018

### Rating Assigned



<b>Total Bank Facilities Rated*</b>	Rs. 10.50 Cr.
<b>Long Term Rating</b>	SMERA BB / Outlook: Stable

\* Refer Annexure for details

### Rating Rationale

SMERA has assigned long-term rating of '**SMERA BB**' (read as **SMERA BB**) on the Rs.10.50 crore bank facilities of Global Technocrats Private Limited. The outlook is '**Stable**'.

Global Technocrats Private Limited (GTPL) was established in 1998 for manufacturing and installation of punched tape concertina coils, flat wrap weldmesh, spool plastic with punched tape and concertina flatwrap. The manufacturing facility is located in Bhiwadi (Rajasthan). The products are supplied to various units of Border Security Force, CRPF, SSB and ITBP under ministry of Home Affairs.

### Key Rating Drivers

#### Strengths:

##### • Experienced management

The company is promoted by Mr. Atul Aggarwal and Mr. Amrit Rai Aggarwal having experience of two decades in the industry. On account of their long standing in the market and strong background, the company enjoys robust relationship with many large and mid-sized players supplying their products to various Central and State Government Organizations all over India.

##### • Comfortable working capital cycle

The Gross Current Assets days are comfortable at 88 as on March 31, 2017 from 113 as on March 31, 2016 mainly on account of low inventory holding at 41 days as on March 31, 2017 compared to 50 days as on March 31, 2016. The debtor days stood at 30 for FY2017 as compared to 53 for FY2016. SMERA believes that the working capital will remain in similar line over the medium term.

#### Weaknesses:

##### • Susceptibility to volatility in raw material

The margins are susceptible to volatility in steel prices, which is the major raw material for the company. The prices of steel have been picking up over the recent past and subsequently the company is expected to grow its topline. However, the margins of the company continue to remain low over the last three years.

##### • Moderate financial risk profile

The company reported tangible networth of Rs.2.69 crore as on March 31, 2017 as compared to Rs.2.50 crore as on March 31, 2016. Total debt stood at Rs.9.04 crore as on March 31, 2017 as compared to Rs.10.00 crore as on March 31, 2016. The debt comprises of short term borrowings of Rs.4.35 crore, unsecured loan of Rs.2.52 crore and term loan of Rs.2.17 crore. The gearing stood at 3.36 times as on March 31, 2017 compared to 3.99 ending March 31, 2016. Interest Coverage Ratio stood moderate at 1.35 times and DSCR is at 1.12 times as on March 31, 2017.

### Analytical Approach

SMERA has considered the standalone business and financial risk profiles of GTPL to arrive at the rating.

### Outlook: Stable

SMERA believes that the outlook on GTPL will remain 'Stable' over the medium term on account of the experienced management. The outlook may be revised to 'Positive' in case of more than expected growth while maintaining the margins. Conversely, the outlook may be revised to 'Negative' in case of adverse business scenario impacting the revenues or profitability.

### About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	47.26	46.95	40.96
EBITDA	Rs. Cr.	1.62	1.61	1.59
PAT	Rs. Cr.	0.18	0.19	0.13
EBITDA Margin	(%)	3.43	3.42	3.87
PAT Margin	(%)	0.39	0.41	0.32
ROCE	(%)	12.35	12.32	24.39
Total Debt/Tangible Net Worth	Times	3.36	3.99	3.72
PBDIT/Interest	Times	1.35	1.40	1.41
Total Debt/PBDIT	Times	5.48	6.17	5.39
Gross Current Assets (Days)	Days	88	113	89

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

Not Applicable

### Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>

### Note on complexity levels of the rated instrument

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

### Rating History (Upto last three years)

Not Applicable

### \*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	Not Applicable	Not Applicable	Not Applicable	9.00	SMERA BB / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	1.50	SMERA BB / Stable

**Contacts:**

Analytical	Rating Desk
<p>SumanChowdhury President - SMERA Bond Ratings Tel: 022-67141107 <a href="mailto:suman.chowdhury@smera.in">suman.chowdhury@smera.in</a></p> <p>Abhishek Verma Manager - Rating Operations Tel: 022-67141115 <a href="mailto:abhishek.verma@smera.in">abhishek.verma@smera.in</a></p>	<p>VarshaBist Manager - Rating Desk Tel: 022-67141160 <a href="mailto:varsha.bist@smera.in">varsha.bist@smera.in</a></p>

## ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities, and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits etc.. 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.*