

## Press Release

### BOLT MASTER INDIA PRIVATE LIMITED

April 11, 2019

### Rating Assigned



|                                     |               |
|-------------------------------------|---------------|
| <b>Total Bank Facilities Rated*</b> | Rs. 20.00 Cr. |
| <b>Long Term Rating</b>             | ACUITE D      |

\* Refer Annexure for details

### Rating Rationale

Acuite has assigned long-term rating of '**ACUITE D**' (read as **ACUITE D**) to the Rs. 20.00 crore bank facilities of BOLT MASTER INDIA PRIVATE LIMITED (BMPL).

Mumbai based, BMPL was incorporated in 1992 by Mr. M.C. Gambhira. The company is engaged in manufacturing of various types of fasteners such as bolt, screws, nut studs, and auto components. The company is managed by Mr. M C. Gambhira (Managing Director) and Mrs. V.C. Gambhira (Director). The manufacturing unit is located in Palghar (Maharashtra) and Rudrapur (Uttarakhand) with total installed capacity of 300 tons per month with average utilisation of ~ 50 percent.

### Analytical Approach

Acuite has considered the standalone business and financial risk profile of BMPL to arrive at the rating.

### Key Rating Drivers

#### Strengths

- **Experienced management**

The company was incorporated in 1992, thus has an operational track record of over two decades in the above mentioned line of business. Mr. M C. Gambhira has an experience of over four decades and Mrs. V.C. Gambhira has over two decades of experience in the aforementioned line of business. This has helped the company maintain long standing relations with customers and suppliers. Acuite believes that BMPL will sustain its existing business profile on the back of experienced management.

#### Weaknesses

- **Delays in debt servicing**

There have been instances of persistent delays in servicing of debt obligations.

- **Customer concentration risk**

The company is exposed to customer concentration risk as ~92 percent of its total sales are derived from a single customer - Mahindra & Mahindra.

#### Liquidity Position

BMPL has stretched liquidity marked by negative net cash accruals to its maturing debt obligations. The company generated negative cash accruals of Rs. 2.85 crore for FY2018. The company's operations are working capital intensive as marked by high gross current asset (GCA) days of 595 days for FY2018. The company maintains unencumbered cash and bank balances of Rs. 0.56 crore as on 31 March 2018. The current ratio stands at 0.52 times as on 31 March 2018. Acuite believes that the liquidity of the company is likely to remain stretched over the medium term on account of negative cash accruals.

## About the Rated Entity - Key Financials

|                               | Unit    | FY18 (Actual) | FY17 (Actual) | FY16 (Actual) |
|-------------------------------|---------|---------------|---------------|---------------|
| Operating Income              | Rs. Cr. | 3.12          | 4.31          | 5.15          |
| EBITDA                        | Rs. Cr. | -1.32         | -5.31         | -0.92         |
| PAT                           | Rs. Cr. | -3.37         | -8.81         | -4.46         |
| EBITDA Margin                 | (%)     | -42.27        | -123.35       | -17.82        |
| PAT Margin                    | (%)     | -107.81       | -204.53       | -86.68        |
| ROCE                          | (%)     | -74.13        | -154.84       | -41.04        |
| Total Debt/Tangible Net Worth | Times   | -1.14         | -1.04         | -1.32         |
| PBDIT/Interest                | Times   | -0.86         | -1.68         | -0.29         |
| Total Debt/PBDIT              | Times   | -23.43        | -4.65         | -28.25        |
| Gross Current Assets (Days)   | Days    | 595           | 1009          | 821           |

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

ICRA, vide its press release dated February 14, 2019 had denoted the rating of Bolt Master (India) Private Limited as 'ICRA D; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings.

## Any other information

None

## Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

## Note on complexity levels of the rated instrument

<https://www.acuite.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. Cr.) | Ratings/Outlook |
|---------------------------|------------------|----------------|----------------|-----------------------------|-----------------|
| Working Capital Term Loan | Not Applicable   | Not Applicable | Not Applicable | 12.20                       | ACUITE D        |
| Working Capital Term Loan | Not Applicable   | Not Applicable | Not Applicable | 1.89                        | ACUITE D        |
| Funded Interest Term loan | Not Applicable   | Not Applicable | Not Applicable | 5.61                        | ACUITE D        |
| Funded Interest Term loan | Not Applicable   | Not Applicable | Not Applicable | 0.30                        | ACUITE D        |

## Contacts

| Analytical  | Rating Desk   |
|---|---|
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### About Acuite Ratings & Research:

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