



**Press Release**  
**BMI Cables Private Limited**  
**July 11, 2024**  
**Rating Reaffirmed & Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BB   Reaffirmed & Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	20.00	-	-

**Rating Rationale**

Acuite has reaffirmed and withdrawn the long-term rating to '**ACUITE BB**' (read as **ACUITE Double B**) on the Rs 20.00 crore bank facilities of BMI Cables Private Limited. The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company, and the NOC (No Objection Certificate) received from the banker.

**Rationale for Reaffirmation**

The rating reaffirmation factors in the improvement in operating performance of the company marked by improved revenue and profitability, adequate liquidity position and efficient working capital cycle. The Company's operating income stood at Rs.229.56 Crore in FY24E as against Rs.177.44 Crore in FY23. The increase in sales is on account of introduction of new products.

**About the Company**

New Delhi based BMI Cables Private Limited was established in November, 1998 as a private limited company and is currently being managed by Mr. Haresh Chand Goyal and Mr. Kumar Goyal. The company is engaged in manufacturing of copper and aluminium wires; at its manufacturing facility located at RIICO Industrial Area, Bhiwadi, Rajasthan.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profiles of BCPL to arrive at this rating.

## Key Rating Drivers

### Strengths

#### **Established track record of operations along with experienced management**

BCPL is promoted by Mr. Harsh Chand Goyal and Mr. Kumar Goyal. Mr. Harsh Chand Goyal have an experience of almost four and a half decades in the cable manufacturing industry. Further, Mr. Kumar Goyal has experience of more than one decade in the cable manufacturing industry through his association BMI and other family run business. Acuité believes BCPL will continue to benefit over the medium term from its longstanding association with its key supplier as well as customers.

### **Improvement in Revenue & Profitability**

The revenue of the company stood at Rs. 177.44 crore in FY23 expected to grow around Rs. 229.56 Cr. in FY24E compared to revenue of Rs.140.89 crore in FY22. The growth is mainly due to introduction of new products. The operating margin stood at 3.28% in FY24E against 3.29% in FY23. The PAT Margin of the company stood at 0.79% in FY24E against 0.94% in FY23.

### **Working Capital Operations**

The Company is having evident working capital management marked by Gross Current Assets (GCA) days of 85 days as on 31st March 2023 as against 96 days as on 31st March 2022. The Inventory days stood at 30 days for FY23 as against 33 days in FY22. The Debtor days stood low at 45 days for FY23 as against 53 days in FY22. The Creditor days of the company stood at 29 days in FY23 compared to 39 days in FY22.

### **Weaknesses**

#### **Average Financial Risk Profile**

The company has a average financial risk profile marked by tangible net worth of Rs.10.36 Cr. as on 31st March 2023 as against Rs.8.65 crore as on 31st March 2022. The increase is on account of accretion of profits to reserve. The Gearing level of company stood at 2.62 times as on 31st March 2023 as against 2.80 times as on 31st March 2022. The total debt of the company stood at Rs. 27.15 crore as on 31st March 2023. The total debt comprised of working capital borrowing of Rs.12.58 crore, unsecured loan from promoter of Rs.12.04 crore, long term debt of Rs.1.56 crore and CPLTD of Rs.0.97 crore as on 31st March 2023. The coverage ratios of the company stood moderate with an Interest Coverage Ratio (ICR) of 2.13 times for FY23 as against 1.94 times for FY22. The Debt Service Coverage Ratio (DSCR) stood at 1.36 times for FY23 as against 1.06 times for FY22.

#### **Competitive & fragmented nature of the industry**

BCPL operates in a highly competitive industry wherein there is presence of a large number of players in the unorganized and organized sectors. The company is comparative a small players catering to the same market which has limited the bargaining power of the company and has exerted pressure on its margin.

### **Rating Sensitivities**

Not Applicable

#### **Liquidity Position Adequate**

The company has an adequate liquidity position marked by adequate net cash accruals against its maturing debt obligations. The company generated cash accruals of Rs.2.54 crore in FY23 as against maturing debt obligations of Rs.1.13 crore over the same period. The company maintains unencumbered cash and bank balances of Rs.0.67 crore as on 31st March 2023. The current ratio stood at 1.44 times as on 31st March 2023.

#### **Outlook: Not Applicable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	177.44	140.89
PAT	Rs. Cr.	1.67	1.41
PAT Margin	(%)	0.94	1.00
Total Debt/Tangible Net Worth	Times	2.62	2.80
PBDIT/Interest	Times	2.13	1.94

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

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Jul 2023	Cash Credit	Long Term	3.00	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	9.00	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Working Capital Demand Loan (WC DL)	Long Term	3.00	ACUITE BB (Reaffirmed & Issuer not co-operating*)
28 Apr 2022	Cash Credit	Long Term	3.00	ACUITE BB   Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	9.00	ACUITE BB   Stable (Assigned)
	Working Capital Demand Loan (WC DL)	Long Term	3.00	ACUITE BB   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Standard Chartered Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.00	ACUITE BB   Reaffirmed & Withdrawn
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE BB   Reaffirmed & Withdrawn
Standard Chartered Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Jun 2023	Simple	9.00	ACUITE BB   Reaffirmed & Withdrawn
Kotak Mahindra Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.00	ACUITE BB   Reaffirmed & Withdrawn

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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