

May 22, 2019

## BG Fastening and Engineering Industries Private Limited: Rating Withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term fund based- Term Loan	4.90	4.90	[ICRA]BB (Stable); Rating Withdrawn
Long term fund based- CC	7.50	7.50	[ICRA]BB (Stable); Rating Withdrawn
Short-term fund based	6.00	6.00	[ICRA]A4+; Rating Withdrawn
Short-term Non-fund based	9.80	9.80	[ICRA]A4+; Rating Withdrawn
Long-term unallocated	6.80	6.80	[ICRA]BB (Stable); Rating Withdrawn
<b>Total</b>	<b>35.00</b>	<b>35.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

The rating has been withdrawn at the request of the company and upon the confirmation that the rating is not required from the bankers end, in accordance with ICRA's policy on withdrawal and suspension of credit rating.

**Outlook:** Not applicable

**Key Rating Drivers:** Not applicable

**Liquidity Position:** Not applicable

### Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">ICRA Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

### About the company (issuer)

Aurangabad Electricals Limited (AEL), the flagship company of the Aurangabad based Bagla group, was incorporated in 1986 to meet the Bajaj group's requirement for magnetos. It switched to supplying aluminium die-casting parts, fasteners, relays and flashers, and brake panel assemblies, primarily to Bajaj Auto. The fastening business of AEL was demerged into a separate company - BG Fastening and Engineering Industries Private Limited (BG/the company) in March 2015. The Bagla family sold 75% of its stake to the Fontana group which is based out of Italy. Currently the company is jointly managed by the Bagla family and Fontana group.

BG is a manufacturer of high tensile steel fasteners for two-wheelers and three-wheelers in India. The company derives majority of its revenues from Bajaj Auto Limited. Its product portfolio includes Engine Nuts, Axle bolts, Special fasteners, Hex Head Bolts / Screws, Flange Bolts / Screws, Socket Head Bolts / Screws, Nylon Nuts, Domed Nuts, Wheel Nuts and Serrated Nuts.

In FY2017, the company reported a net profit of Rs. 1.20 crore on an operating income of Rs. 79.00 crore, as compared to a net profit of Rs. 2.30 crore on an operating income of Rs. 82.70 crore in the previous year.

### Key financial indicators

	FY2016	FY2017
Operating Income (Rs. crore)	82.7	79.0
PAT (Rs. crore)	2.3	1.2
OPBDIT/OI (%)	12.8%	9.7%
RoCE (%)	17.2%	11.3%
Total Debt/TNW (times)	1.4	1.3
Total Debt/OPBDIT (times)	2.1	2.8
Interest coverage (times)	3.9	2.9

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for last three years:

Current Rating (FY2020)					Chronology of Rating History for the past 3 years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating	FY2018	FY2017	FY2016
				May 2019	Jan 2018	-	-
1 Term loan	Long Term	4.90	NA	Withdrawn	[ICRA]BB(Stable)	NA	NA
2 Cash credit	Long Term	7.50	NA	Withdrawn	[ICRA]BB(Stable)	NA	NA
3 Fund based	Short term	6.00	NA	Withdrawn	[ICRA]A4+	NA	NA
4 Non-fund based	Short-term	9.80	NA	Withdrawn	[ICRA]A4+	NA	NA
5 Proposed	Long term	6.80	NA	Withdrawn	[ICRA]BB(Stable)	NA	NA

NA: Not Available

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	March 2014	NA	March 2020	4.90	[ICRA]BB(Stable); withdrawn
NA	Cash Credit	NA	NA	[ICRA]BB(Stable); withdrawn	7.50	[ICRA]BB(Stable); withdrawn
NA	Over draft	NA	NA	NA	6.00	[ICRA]A4+; withdrawn
NA	Short-term Non-fund based	NA	NA	[ICRA]A4+; withdrawn	9.80	[ICRA]A4+; withdrawn
NA	Proposed long term	NA	NA	NA	6.80	[ICRA]BB(Stable); withdrawn

Source: BG Fastening and Engineering Industries Private Limited

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