

RATING RATIONALE

03 Oct 2025

Bond Street Capital Private Limited

Brickwork Rating assigns the rating at BWR BBB-/Stable for the Fund-Based Bank Loan Facilities of Rs. 125.00 Crores of Bond Street Capital Private Limited

Particulars

Facilities**	Amount (Rs.Crs.)	Tenure	Rating*
Fund Based	125.00	Long Term	BWR BBB-/Stable (Assignment)
Grand Total	125.00	(Rupees One Hundred Twenty Five Crores Only)	

*Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

** Details of Bank Loan Facilities are provided in Annexure-I

RATING ACTION/ OUTLOOK: ASSIGNMENT/STABLE

Brickwork Rating assigns the long-term rating at 'BWR BBB-/Stable' for the fund based bank loan facilities amounting to Rs 125.00 Crores of Bond Street Capital Private Limited (BSCPL or the Company).

The rating assignment factors in the experienced management, low credit risk given that the company is dealing and supplying in Government securities and A category & above externally rated corporate bonds, the tenor of such transactions being for a shorter period. However, the rating strengths are partially offset by the relatively smaller scale of operations vis a vis the income, and the volatility in income which is dependent on the trades in debt market volumes, lower margins in a competitive market scenario. While the company's trading volumes are mainly intraday, it is exposed to some price risk in its investment and treasury portfolio.

Bond Street Capital Pvt Ltd (BSCPL), incorporated in Jan, 1983, is engaged in sales, trading and investment of fixed income securities. It also provides intermediation services in the debt market to its clients like provident funds, insurance companies, banks and others. The company is a member of the wholesale debt market (WDM) segment on the Bombay Stock Exchange (BSE). It has also been duly registered with SEBI. The company has a growing transactional relationship with more than 600 institutional & corporate clients and is empanelled with over 50 large PSUs and Pension Funds for their sales, trading and investments in G-sec & Bonds.

Bond Street Capital Private Limited's business performance is linked to the growth of the provident funds, insurance companies and corporate treasury. The Company has reported a total operating income of Rs. 7.12 crore on transactional value (buy and sale) of securities

during FY25 stood at Rs 10,894 crs and its net worth stood at Rs. 41.52 crore as on March 31, 2025 (Audited). The main sources of income of the company are interest income and net gain on fair value changes on the investments. The trading and brokerage of G-Secs and high-quality corporate bonds in an established and stable business operates in an evolving market with scope for rapid expansion.

Brickwork Ratings (BWR) shall monitor the company's ability to enhance its overall transactional volumes, sustain its existing operating margins on the overall income and improve its profit margins vis-a-vis its turnover. Given the inherent lower volatility in debt security prices, the ability of the company to manage such risks with a minimum holding period will remain a key credit monitorable.

The stable outlook indicates the company's credit risk profile will be stable over the medium term, with low likelihood of change in the rating and/ or outlook over the near to medium term

KEY RATING DRIVERS

Credit Strengths:-

- **Long track record and experienced management** : Bond Street Capital Pvt Ltd (BSCPL), incorporated in January 1983 by Late Mr. Mahendra Doshi, the Chief Promoter of the LKP Group, has an established track record of operations. The LKP Group has been active in the fixed income markets for over four decades and has developed strong expertise in assessing and managing risks associated with the segment. BSCPL derives significant benefits from its group company, LKP Securities, one of the leading brokers in the fixed income market. The BSCPL enjoys operational synergies through shared infrastructure, a common management framework, and cross-sourcing of clients. These linkages provide scalability and cost efficiencies, thereby strengthening BSCPL's competitive position. Currently, the company is managed by Mr. Paresh Mehta, who brings expertise in structuring deals for high-rated Indian corporates, and Mr. Kaushal Mehta, who specializes in debt capital markets, fixed income portfolio management, and advisory services. Their combined industry knowledge and experience enhance BSCPL's ability to structure and execute complex transactions and further reinforce its position in India's financial markets.

- **Strength of underlying Borrowing structure:**

The borrowing structure under assessment envisages an aggregate borrowing limit of ₹125.00 Cr in the form of cash credit from the bank, secured by pledge of underlying bonds and securities. The underlying securities comprise Government securities (G-Secs) and corporate bonds rated 'A' and above, within the sanctioned limit.

To strengthen risk mitigation, the bank has stipulated differential margins across categories of securities, ranging from 5% to 17.50%, with the lowest margin applicable to risk-free G-Secs. Purchases of G-Secs will be held in a designated Constituent Subsidiary General Ledger (CSGL) account, while corporate bonds will be maintained in a joint depository participant (DP) account, both pledged in favor of the bank. The

joint holding structure enables close monitoring by the lender of all underlying transactions.

Further, the bank's sanction terms explicitly restrict purchases to G-Secs and corporate bonds rated 'A' and above, which must also form part of the lender's pre-approved list of securities. This provides effective credit risk mitigation at the origination stage. In addition, the structure incorporates a shorter holding period; securities outstanding in the CSGL account for more than 30 days will not be reckoned while calculating drawing power. This feature limits credit and market risk exposure to the period securities are held.

The lenders also maintain adequate buffers to initiate corrective actions and mitigate risks from adverse market movements. The strict adherence to the sanctioned terms and conditions remains central to the robustness of the structure.

Credit Risks:-

- **Smaller scale of operations** The debt market segment remains characterized by intense competition and is susceptible to the entry of new players. Fixed-income securities such as government bonds and investment-grade corporate bonds are inherently sensitive to interest rate movements. Transaction volumes in the debt capital market are influenced by economic cyclicalities and macroeconomic factors including GDP growth, inflation, monetary policy actions by the RBI, and overall interest rate trends.
- **Market risk on account of volatility in interest rates:** BSCPL primarily undertakes buy and sell transactions on behalf of clients comprising provident and pension funds, mutual funds, banks, and family offices. While most securities purchased are simultaneously sold to clients, thereby limiting exposure, a complete matching of purchase and sale orders is not always feasible. Consequently, the company is required to maintain a certain level of inventory, exposing it to credit and market risks. The magnitude of such risk depends on the nature of the security, price volatility, and the holding period. The company's ability to ensure timely churning of its portfolio remains crucial.

Occurrences of credit events, including sharp deterioration in credit quality ("credit cliffs"), may lead to a material decline in bond prices, adversely impacting liquidity. Such events could also trigger accelerated repayment obligations in cases of pledge-based borrowings.

In addition to trading income, the company derives revenue from its broking business, which remains linked to overall investment activity in financial markets as well as changes in the regulatory environment. Since investments held by the company are pledged as collateral under the borrowing structure, the continued acceptability of these securities and the margin requirements stipulated by banks directly impact the company's financial flexibility. Any changes in lender policies regarding eligible securities could further influence performance.

Overall, BSCPL's ability to effectively balance credit, market, and operational risks with returns will be critical for maintaining a stable credit risk profile.

ANALYTICAL APPROACH - Standalone

To arrive at its ratings, BWR has considered the standalone performance of Bond Street Capital Private Limited. BWR has applied its rating methodology as detailed in the Rating Criteria.

RATING SENSITIVITIES

Positive:

- Significant scale-up of operations, leading to expansion in market position in broking businesses
- Significant improvement in profitability margin on sustained basis

Negative:

- Impact on business risk profile, indicated by drop in market share impacting revenue from core broking operations
- Susceptibility of margins to volatility in interest rates, though partly mitigated by the company's short holding period (generally not exceeding seven days).

Liquidity - ADEQUATE

The company has free cash and bank balances of Rs.1.00 Cr as on 31 March 2025, and has negligible repayment obligations as its funding requirements are met through working capital limits. The company's working capital limit of Rs. 125.00 Cr. is secured against the pledge of highly rated bonds and securities acceptable to the bank. Average utilization for working capital limit for the last 12 months is less than 20%. The lenders ensure that the company maintains an adequate margin for any investment held at the end of the day. The net worth of the company as on 31 March 2025, stood at Rs. 41.57 Cr. providing adequate buffer to meet for providing margin money for adverse credit events. The company does not have any capex plan in near term and there are no fixed debt obligations as it does not have long term borrowings.

ABOUT THE ENTITY

Bond Street capital, incorporated in Jan, 1983 by Late Mr Mahendra Doshi, was the Chief Promoter of LKP Group and after his sudden demise now Mr Pratik Mahendra Doshi is new promoter of the company. BSCPL has an experienced Board, each Director having experience of over 30 years plus in Financial Services and Debt Market Industry. BSCPL is conducting business of dealing in and supplying Government Securities (GS) and Bonds to various Corporates, Public Sector Undertakings Provident Funds, and Pension Funds across India .

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Units	FY 22 - 23 (Audited - Annual)	FY 23 - 24 (Audited - Annual)	FY 24 - 25 (Audited - Annual)
Turnover	Rs Crs	3990	3255	10894
Total Income	Rs Crs	3.83	7.96	7.12
Interest income	Rs Crs	1.85	2.9	2.44
Netgain on fair value changes	Rs Crs	1.91	5.00	4.39
PAT	Rs Crs	1.68	4.39	3.59
Gearing	Times	1.02	0.80	0.28
Net profit margin	%	43.86	55.00	50.42

KEY COVENANTS OF THE FACILITY RATED

For the bank loan facilities, the covenants shall be standard in terms of sanction

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY:

There is no non cooperation with other CRA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Sr. No.	Facilities	Type	Current Rating (Sep 2025)		Rating History for the past 3 years		
			Amount Rs Crs	Rating	FY 2024	FY 2023	FY 2022
1	Fund Based Bank Loan Working Capital Facilities	Long Term	125.00	BWR BBB-/ Stable Assignment	NA	NA	NA
Total			125.00	Rupees One Hundred Twenty Five Crores Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

For more information, visit

www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Securities and Broking Firm](#)
- [Services Sector](#)

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Bond Street Capital Limited
ANNEXURE-I

Details of Bank Loan Facilities rated by BWR:

Sr. No	Name of the bank/ lender	Facilities	Long Term (Rs. Crs)	Short term (Rs. Crs)	Total (Rs. Crs)	Complexity of the Instrument*
1	Bank of India	Overdraft/ Working capital Demand Loan (WCDL)/ Intraday Debt	75.00	0	75.00	Simple
2	Federal Bank	WCDL/CC (G-Sec /corporate Bonds)	50.00	0	50.00	Simple

*For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II
INSTRUMENT DETAILS: NA

ANNEXURE III
List of entities consolidated: NA

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