

Press Release

Bhavna Engineering Company Private Limited

March 06, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 13.90 Cr.#
Long Term Rating	ACUITE BB+ Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) and short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 13.90 crore bank facilities of Bhavna Engineering Company Private Limited. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Application Of Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-40.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

BECPL, an Ahmedabad-based company established in 1987 as a partnership firm was promoted by Mr. Jayantibhai Patel. It was reconstituted as private limited in 2014. The firm is engaged in the construction of roads and canals. The day-to-day operations are managed by Mr. Jayantibhai Mafatlal Patel and Mr. Kamalkumar Jayantibhai Patel.

About the Rated Entity - Key Financials

	Unit	FY16 (Provisional)	FY15 (Actual)	FY14 (Actual)
Operating Income	Rs. Cr.	42.40	35.56	22.91
EBITDA	Rs. Cr.	2.19	3.89	1.99
PAT	Rs. Cr.	1.20	1.24	0.79
EBITDA Margin	(%)	5.15	10.95	8.68
PAT Margin	(%)	2.84	3.49	3.45
ROCE (%)	(%)	16.09	26.86	12.79
Total Debt/Tangible Net Worth	Times	0.11	1.18	1.73
PBDIT/Interest	Times	6.63	2.11	3.01
Total Debt/PBDIT	Times	0.42	1.96	3.77
Gross Current Assets (Days)	Days	45	123	122

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

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
2nd Jan 18	Secured Overdraft	Long Term	2.00	ACUITE BB+ (Indicative)
	Bank Guarantee	Short Term	7.00	ACUITE A4+ (Indicative)
	Cash Credit	Long Term	2.00	ACUITE BB+ (Indicative)
	Bills Discounting	Short Term	2.90	ACUITE A4+ (Indicative)
5th Oct 16	Secured Overdraft	Long Term	2.00	ACUITE BB+/Stable (Assigned)
	Bank Guarantee	Short Term	7.00	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	2.00	ACUITE BB+/Stable (Assigned)
	Bills Discounting	Short Term	2.90	ACUITE A4+ (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4+ Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB+ Issuer not co-operating*
Bills Discounting	Not Applicable	Not Applicable	Not Applicable	2.90	ACUITE A4+ Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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