

Press Release
Bharat Industrial Corporation
June 05, 2024
Rating Downgraded, Reaffirmed and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.00	ACUITE B Downgraded Issuer not co-operating*	-
Bank Loan Ratings	7.00	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	13.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B**' (read as **ACUITE B**) from '**ACUITE B+**' (read as **ACUITE B Plus**) and reaffirmed the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.13.00 crore bank facilities of Bharat Industrial Corporation (BIC). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Bharat Industrial Corporation (BIC) is a Bangalore based partnership firm, established in 1965. The firm is promoted by Tejesh Shah, Payal Shah, Ronak Shah and Aashil Shah. It manufactures agarbattis (incense sticks) and dhoop sticks and sells its products in the domestic and export markets. The products are mainly sold in the Middle East and African Countries as well as South-East Asian Countries. The manufacturing facility is located at Bangalore with an installed capacity of 5 lakh dozens of incense sticks and 3 lakh dozens of dhoop sticks. The firm has its own brand name for incense sticks "Panchavati".

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

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 endeavored 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.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating None

Key Financials

Particulars	Unit	FY 20 (Provisional)	FY 19 (Actual)
Operating Income	Rs. Cr.	30.77	30.65
PAT	Rs. Cr.	0.30	0.07
PAT Margin	(%)	0.99	0.22
Total Debt/Tangible Net Worth	Times	4.56	3.52
PBDIT/Interest	Times	1.50	1.19

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Mar 2023	Cash Credit	Long Term	5.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	PC/PCFC	Short Term	4.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Post Shipment Credit	Short Term	3.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
09 Dec 2021	Cash Credit	Long Term	5.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	PC/PCFC	Short Term	4.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Post Shipment Credit	Short Term	3.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Maharashtra	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.50	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
Bank of Maharashtra	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Bank of Maharashtra	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.50	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	Varsha Bist Associate Vice President-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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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