

Press Release

BRS ENTERPRISES AND TRADING LIMITED

December 18, 2018



Rating Downgraded

Total Bank Facilities Rated*	Rs. 30.00 Cr.#
Short Term Rating	ACUITE D (Downgraded from ACUITE A4) Issuer not co-operating*

#Refer Annexure for details

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

Acuité has downgraded short-term rating to '**ACUITE D**' (**read as ACUITE D**) from '**ACUITE A4**' (**read as ACUITE A four**) on the Rs.30.00 crore bank facilities of BRS ENTERPRISES AND TRADING COMPANY LIMITED. This rating is now an indicative rating and is based on the best available information.

The rating downgrade reflects in inadequacy of the data and the banker's opinion on the account conduct.

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 Acuite's policies.

Applicable Criteria

- Default Recognition: <https://www.acuite.in/criteria-default.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-6.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 endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

BRS Enterprises and Trading Limited (BRSETL) is a Hyderabad-based company incorporated in 2011 by Mr. Balarao Krishnaiah and Mr. Ramakrishna Gade. The company is engaged in the trading of steel and steel products i.e. TMT Bars and Billets. The operations commenced in 2014. The company procures TMT bars from re-rolling mills and supplies to wholesale traders in and around Hyderabad, Telangana.

For FY2016-17 (Provisional), BRSETL reported profit after tax (PAT) of Rs. 0.30 crore on operating income of Rs.234.12 crore compared with PAT of Rs. 0.38 crore on operating income of Rs. 638.95 crore for FY2015-16. The net worth stood at Rs. 27.44 crore as on 31 March, 2017 (Provisional) compared with Rs. 26.99 crore as on 31 March, 2016.

Any other information:

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

About the Rated Entity - Key Financials

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	234.12	638.95	534.66
EBITDA	Rs. Cr.	1.72	2.83	4.42
PAT	Rs. Cr.	0.30	0.38	0.95
EBITDA Margin	(%)	0.73	0.44	0.83
PAT Margin	(%)	0.13	0.06	0.18
ROCE	(%)	3.25	8.62	32.69
Total Debt/Tangible Net Worth	Times	1.42	0.48	0.00
PBDIT/Interest	Times	1.36	1.23	1.49
Total Debt/PBDIT	Times	22.72	4.62	0.00
Gross Current Assets (Days)	Days	135	104	97

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

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
25 Nov, 2017	Letter of Credit	Short Term	30.00	ACUITE A4 (Assigned)

^Includes sublimit of cash credit to the extent of Rs. 30.00 crore.

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE D (Downgraded) 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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