

Press Release

Banashankari Chemicals Private Limited

July 07, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	20.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB-**' (read as ACUITE double B minus) from 'ACUITE BB' (read as ACUITE double B) on the Rs.20 crore bank facilities of Banashankari Chemicals Private Limited. This rating is now an indicative rating and is based on the best available information.

About the Company

Banashankari Chemicals Private Limited (hereinafter referred to as BCPL) an ISO 9001: 2015 certified company started as a proprietary concern in the year 2000, later converted into a corporate in 2008. Head quartered at Bangalore, the Company has setup its state of art manufacturing facilities in KIADB Industrial area at Malur. Facility is well equipped for carrying out purification of spent solvents, with specialized process including Simple Distillation, Fractional Distillation, Azeotropic and Vacuum Distillation with production capacity of 20 KL/Day. The founder G. N. Murthy, academically a Chemical Engineer, with his deep insight in the chemistry of hazardous materials, built capabilities, which are augmented by professional team of subject matter experts.

About the Group

M/s BSK Pure Chem is a partnership firm started in 2011, the factory is located at Bommasandra Industrial area, Bangalore. The company is in to Purification of spent solvents & Thinner with specialized process including Fractional Distillation. M/s Sri Sai Industries is a partnership firm acquired in 2017, the Factory is located at Maddur KIADB Industrial area, Mandya district. The company is in to Purification of spent solvents with specialized process including Simple Distillation and Fractional Distillation. M/s Ind Pure Chem is a partnership firm started in 2009, the Factory is located at Hoskote KIADB Industrial area, Bangalore Rural district. The company is in to Purification of spent solvents with specialized process including Simple Distillation and Vacuum Distillation. BSK Solvents & Chemicals Pvt Ltd was incorporated in the year 2018. Head quartered at Bangalore, it's a new manufacturing facility for processing of Hazardous waste (waste oils & Paint Sludge) the company acquired one Acre of land at KIADB Industrial Area Maddur, Mandya District.

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. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an 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 Acuité'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 Sensitivities

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Dec 2020	Cash Credit	Long Term	3.10	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	10.30	ACUITE BB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	4.60	ACUITE BB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.75	ACUITE BB Stable (Reaffirmed)

	Working Capital Demand Loan	Long Term	0.25	ACUITE BB Stable (Reaffirmed)
01 Oct 2019	Cash Credit	Long Term	4.50	ACUITE BB Stable (Assigned)
	Proposed Bank Facility	Long Term	8.81	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	6.69	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.10	ACUITE BB- Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	4.60	ACUITE BB- Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	10.30	ACUITE BB- Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	0.25	ACUITE BB- Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	1.75	ACUITE BB- Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Radhika Kolwankar Junior Analyst-Rating Operations Tel: 022-49294065 radhika.kolwankar@acuite.in	Varsha Bist Senior Manager-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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