Press Release
BANASHANKARI INDUSTRIES PRIVATE LIMITED
October 05, 2023
Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB- | Reaffirmed | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	10.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE BB-' (read as ACUITE double B Minus)** on the Rs. 10.00 crore bank facilities of Banashankari Industries Private Limited The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Banashankari Industries Private Limited (BIPL), an ISO 9001: 2015 certified company Head quartered at Bangalore, was started as a proprietary concern in the year 2000. It was later converted into a private limited company in 2008 and is engaged in carrying out purification of spent solvents, with specialized process including Simple Distillation, Fractional Distillation, Azeotropic and Vacuum Distillation. The manufacturing facilities are located at KIADB Industrial area at Malur with production capacity of 20 KL/Day.

About the Group

Banashankari Group (BG) includes Banashankari Chemicals Private Limited and Banashankari Industries Private Limited is a family owned business based in Bangalore having presence since 2000. The group is a leading spent solvent recycling in Karnataka and is specialised in the supply of recycled and reclaimed solvents, Toll Recovery of solvents and purchase of used and redundant solvents. The group also carry out purification of spent solvents, with specialized process including Simple Distillation, Fractional Distillation and Vacuum Distillation.

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 the due date.
Acuité 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 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 Sensitivity

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

All Covenants

Not Applicable

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

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	43.30	35.24
PAT	Rs. Cr.	3.08	2.33
PAT Margin	(%)	7.11	6.62
Total Debt/Tangible Net Worth	Times	1.38	1.39
PBDIT/Interest	Times	3.69	3.37

Status of non-cooperation with previous CRA

None

Any other information

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

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
• Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.htm

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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
07 Jul 2022	Working Capital Term Loan	Long Term	0.78	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	5.07	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	0.25	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	3.90	ACUITE BB- (Downgraded and Issuer not co-operating*)
04 Dec 2020	Working Capital Demand Loan	Long Term	0.25	ACUITE BB | Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	5.07	ACUITE BB | Stable (Reaffirmed)
	Cash Credit	Long Term	3.90	ACUITE BB | Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.78	ACUITE BB | Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.90	ACUITE BB- | Reaffirmed | Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	5.07	ACUITE BB- | Reaffirmed | Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	0.25	ACUITE BB- | Reaffirmed | Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	0.78	ACUITE BB- | Reaffirmed | Issuer not co-operating*

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022–49294017 mohit.jain@acuite.in Suman Paul Analyst-Rating Operations Tel: 022-49294065 suman.paul@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.