



**Press Release**  
**Banashankari Industries Private Limited**  
**December 24, 2024**  
**Rating Downgraded & Withdrawn and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.93	ACUITE B+   Downgraded & Withdrawn   Issuer not co-operating*	-
Bank Loan Ratings	5.07	Not Applicable   Withdrawn	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	10.00	-	-

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

**Rating Rationale**

Acuite has downgraded and withdrawn the long-term rating to ‘**ACUITE B+**’ (read as **ACUITE B plus**) from ‘**ACUITE BB-**’ (read as **ACUITE double B Minus**) on the Rs. 4.93 crore bank facilities of Banashankari Industries Private Limited.

Acuite has also withdrawn its long-term proposed limit on the Rs. 5.07 crore bank facilities of Banashankari Industries Private Limited without assigning any rating as it is a proposed facility.

The rating continues to be flagged as “Issuer Not Cooperating” and is based on the best available information. The downgraded is on account of information risk.

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the entity, and NOC (No Objection Certificate) received from the banker.

**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**

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.

**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.

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."

**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 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	54.79	43.30
PAT	Rs. Cr.	3.22	3.08
PAT Margin	(%)	5.89	7.11
Total Debt/Tangible Net Worth	Times	1.06	1.38
PBDIT/Interest	Times	3.88	3.69

### 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>
- 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. Acuité'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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Oct 2023	Cash Credit	Long Term	3.90	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	5.07	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Working Capital Term Loan	Long Term	0.78	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Working Capital Demand Loan (WC DL)	Long Term	0.25	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
07 Jul 2022	Cash Credit	Long Term	3.90	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)
	Proposed Long Term Bank Facility	Long Term	5.07	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)
	Working Capital Term Loan	Long Term	0.78	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)
	Working Capital Demand Loan (WC DL)	Long Term	0.25	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)

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

## Annexure - Details of instruments rated

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

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

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No	Company Name
1.	Banashankari Chemicals Private Limited
2.	Banashankari Industries Private Limited

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Abhishek Singh Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### 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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**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.