

Press Release

Brand Alloys Private Limited

March 09, 2021



Rating Update

Total Bank Facilities Rated*	Rs.35.00 Cr. #
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BB/Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co- operating*

Refer Annexure for details`

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

Acuité has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reviewed the short term rating of '**ACUITE A4+**'(read as **ACUITE A four plus**) on the Rs.35.00 crore bank facilities of Brand Alloys Private Limited (BAPL). The rating is now an indicative rating and is based on the best available information. The downgrade is based on information risk.

Incorporated in 1994, Brand Alloys Private Limited (BAPL) is a Kolkata based company having its manufacturing unit in Serampore, West Bengal. The company is engaged in the manufacturing of TMT rebars, railway components and bogies. Further, BAPL is into an agreement with Tata Steels Limited for conversion of billets into TMT Rebar from last 10 years. Currently, the company is being managed by Mr. Vikas Bansal, Mr. Satpal Bansal and Mr. Markanda Samanta. The raw materials, diesel, coal and railway components are procured locally from companies based out of Kolkata. The company also caters to the local customers in Kolkata. Presently, the installed capacity for TMT rebars is 60,000 MTPA and for railways components, installed capacity stood at 10,000 MTPA.

Incorporated in 1996, Haldia Steels Private Limited is a Kolkata based company having its manufacturing unit in Durgapur, West Bengal. The company is engaged in manufacturing of ferroalloys, sponge iron and billets with the installed capacity of 120,000 MTPA for Sponge Iron, Steel Billets for 60,000 MTPA and Ferro alloys for 12,000 MTPA. Currently, the company is managed by Mr. Vikas Bansal, Mr. Satpal Bansal and Mr. Markanda Samanta. The company procures manganese ore, iron ore pallets, dolomite and coal locally and sells steel billets and ferro alloys to its customers based in Kolkata.

Analytical Approach

Acuité has consolidated the business and financial risk profiles of Brand Alloys Private Limited with Haldia Steels Private Limited herein referred to as Haldia Steels Group. Extent of Consolidation: Full

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 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.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios and Adjustments -<https://www.acuite.in/view-rating-criteria-53.htm>

- Manufacturing entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Consolidation of companies - <https://www.acuite.in/view-rating-criteria-60.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, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

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

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

About the Rated Entity - Key Financials

The rated entity has not shared the latest Financial Statements despite repeated attempts.

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

India Ratings, vide its press release dated August 9, 2019 had denoted the rating of Brand Alloys Private Limited as 'IND BB/Stable/A4+; ISSUER NOT COOPERATING'

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
23-Dec-2019	Cash Credit	Long Term	14.25	ACUITE BB/Stable (Reaffirmed)
	Term Loans	Long Term	11.50	ACUITE BB/Stable (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A4+ (Reaffirmed)
	Proposed bank facility	Short Term	4.25	ACUITE A4+ (Reaffirmed)
6-Dec-2019	Cash Credit	Long Term	14.25	ACUITE BB/Stable (Assigned)
	Term Loans	Long Term	11.50	ACUITE BB/Stable (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A4+ (Assigned)
	Proposed bank facility	Short Term	4.25	ACUITE A4+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	14.25	ACUITE BB- (Downgraded from ACUITE BB/Stable) Issuer not co-operating*
Term Loans	Not Available	Not Available	Not Available	11.50	ACUITE BB- (Downgraded from ACUITE BB/Stable) Issuer not co-operating*

Letter of Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ Issuer not co-operating*
Proposed bank facility	Not Applicable	Not Applicable	Not Applicable	4.25	ACUITE A4+ 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 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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