

## Press Release

### Beekay Engineering Corporation

May 02, 2023



#### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	63.83	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	60.00	-	ACUITE A4+   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	123.83	-	-

#### Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE three**) on the Rs.123.83 Cr bank facilities of Beekay Engineering Corporation (BEC). The rating is now flagged as "Issuer Not Cooperating" based on the best available information. The rating has been downgraded on account of information risk.

#### About the Company

Chhattisgarh based BEC was set up in 1967 by late Mr. Balkrishnan Gupta and his family members as a partnership firm. Initially, the firm started as an ancillary to the Bhilai Steel Plant and subsequently started executing turnkey projects on an engineering, procurement and construction basis and manufactures equipment, spares and components for steel plants, the Indian Railways and other core sectors. Besides fully integrated steel plants, the firm specialises in manufacturing complete kiln and cooler assemblies for sponge iron plants. The operations of the firm is currently managed by the second generation directors, Mr. Vijay Kumar Gupta and Mr. Nitin Gupta.

#### 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. Acuite believes that information risk is a critical component in such ratings, and noncooperation 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 Acuite'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). Acuite 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.

### 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

None

### Key Financials:

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

### Status of non-cooperation with previous CRA

CRISIL, vide its press release dated November 17, 2022 had denoted the rating of Beekay Engineering Corporation as 'CRISIL BB/Stable/A4+; ISSUER NOT COOPERATING'.

### Any other information

Acuite is yet to receive the latest No Default Statement from the rated entity despite repeated requests and followups.

### 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>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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](http://www.acuite.in)

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
	Working Capital Demand Loan	Long Term	2.46	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee	Short Term	8.00	ACUITE A3 (Assigned)
	Working Capital Demand Loan	Long Term	0.60	ACUITE BBB-   Stable (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A3 (Assigned)
	Working Capital Demand Loan	Long Term	1.99	ACUITE BBB-   Stable (Assigned)

03 Feb 2022	Bank Guarantee	Short Term	10.00	ACUITE A3 (Assigned)
	Working Capital Demand Loan	Long Term	1.58	ACUITE BBB-   Stable (Assigned)
	Working Capital Demand Loan	Long Term	0.84	ACUITE BBB-   Stable (Assigned)
	Channel Financing	Long Term	11.70	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee	Short Term	22.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	7.00	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee	Short Term	10.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB-   Stable (Assigned)
	Working Capital Demand Loan	Long Term	1.00	ACUITE BBB-   Stable (Assigned)
	Working Capital Demand Loan	Long Term	1.68	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	7.50	ACUITE BBB-   Stable (Assigned)
	Proposed Bank Facility	Long Term	0.02	ACUITE BBB-   Stable (Assigned)
	Working Capital Demand Loan	Long Term	0.96	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB-   Stable (Assigned)
	Working Capital Demand Loan	Long Term	1.50	ACUITE BBB-   Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3 )
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	22.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3 )
HDFC Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3 )
IDBI Bank Ltd.	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3 )
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
IDBI Bank Ltd.	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	7.00	ACUITE BB+   Downgraded   Issuer not co-

								operating* (from ACUITE BBB- )
Axis Bank	Not Applicable	Channel/Dealer/Vendor Financing	Not Applicable	Not Applicable	Not Applicable	Simple	11.70	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3 )
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.02	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	7.50	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
HDFC Bank Ltd	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	2.46	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
HDFC Bank Ltd	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	1.58	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
IDBI Bank Ltd.	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	0.60	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE

								BBB- )
IDBI Bank Ltd.	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	0.96	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Axis Bank	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	1.99	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Axis Bank	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	1.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
State Bank of India	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	1.68	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
State Bank of India	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	1.50	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
State Bank of India	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	0.84	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )

## Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>  Geeta Karira Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:geeta.karira@acuite.in">geeta.karira@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.