

Press Release
Buildmet Fibres Private Limited
March 21, 2024



Rating Downgraded & Withdrawn and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|--|-------------------|
| Bank Loan Ratings | 70.18 | ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* | - |
| Bank Loan Ratings | 0.91 | Not Applicable Withdrawn | - |
| Total Outstanding Quantum (Rs. Cr) | 0.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 71.09 | - | - |

Rating Rationale

Acuite has downgraded and withdrawn its long-term rating of '**ACUITE BB+**' (read as **ACUITE Double B plus**) from '**ACUITE BBB+**' (read as **ACUITE Triple B Plus**) on the Rs 70.18 Cr. bank facilities of Buildmet Fibres Private Limited (BFPL), and withdrawn the rating on proposed long-term facilities of Rs.0.91 Cr. bank facilities of Buildmet Fibres Private Limited (BFPL) without assigning any rating.

This rating is now an indicative rating and is based on best available information. The rating downgrade 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The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility.

The rating has been withdrawn on account of the request received from the company and the NOC(No Objection Certificate) received from the banker.

About the Company

Incorporated in 1999, Buildmet Fibres Private Limited (BFPL) is based out of Bangalore and is currently engaged in the manufacturing and exporting of FIBC bags and allied products with a capacity of 1000 metric tonnes per month. Directors of Buildmet Fibres Private Limited are Mr Ramakrishnan Bharath, Mr Selvaganapathy Ramakrishnan, Mr Ravichandran Sibi, Mr Balasubramaniam Krishnan and Mr. Krishnamurthy. The company currently has three manufacturing plants located in Bangalore.

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. 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 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 endeavoured 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 ratings is based.

Rating Sensitivities

"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. | 135.65 | 228.42 |
| PAT | Rs. Cr. | 7.75 | 9.28 |
| PAT Margin | (%) | 5.71 | 4.06 |
| Total Debt/Tangible Net Worth | Times | 0.23 | 0.66 |
| PBDIT/Interest | Times | 10.19 | 11.63 |

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>

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.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|----------------------------------|-----------|-----------------|-------------------------------------|
| 08 Jun 2023 | Packing Credit | Long Term | 20.00 | ACUITE BBB+ Negative (Reaffirmed) |
| | PC/PCFC | Long Term | 40.00 | ACUITE BBB+ Negative (Reaffirmed) |
| | Proposed Long Term Bank Facility | Long Term | 0.91 | ACUITE BBB+ Negative (Reaffirmed) |
| | Working Capital Term Loan | Long Term | 10.18 | ACUITE BBB+ Negative (Reaffirmed) |
| 21 Apr 2022 | PC/PCFC | Long Term | 12.50 | ACUITE BBB+ Stable (Assigned) |
| | PC/PCFC | Long Term | 27.50 | ACUITE BBB+ Stable (Assigned) |
| | PC/PCFC | Long Term | 1.00 | ACUITE BBB+ Stable (Assigned) |
| | PC/PCFC | Long Term | 10.00 | ACUITE BBB+ Stable (Assigned) |
| | Term Loan | Long Term | 6.40 | ACUITE BBB+ Stable (Assigned) |
| | Term Loan | Long Term | 3.51 | ACUITE BBB+ Stable (Assigned) |
| | Working Capital Term Loan | Long Term | 10.18 | 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 |
|----------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|------------------|-------------------|---|
| HDFC Bank Ltd | Not avl. / Not appl. | Packing Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 20.00 | ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB+) |
| Axis Bank | Not avl. / Not appl. | PC/PCFC | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 40.00 | ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB+) |
| Not Applicable | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.91 | Not Applicable Withdrawn |
| Axis Bank | Not avl. / Not appl. | Working Capital Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 10.18 | ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB+) |

Contacts

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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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