

Besco Limited

February 17, 2023

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Reaffirmed at CARE C; Issuer Not Cooperating (Single C; Issuer Not Cooperating) and withdrawn
Short Term Bank Facilities	-	-	Reaffirmed at CARE A4; Issuer Not Cooperating (A Four; Issuer Not Cooperating) and withdrawn

Details of facilities in Annexure-1.

Detailed Rationale and key rating drivers

CARE has reaffirmed and withdrawn the outstanding ratings of 'CARE C; Issuer Not Cooperating/ CARE A4; Issuer Not cooperating [Single C; Issuer Not Cooperating / CARE A4; Issuer Not Cooperating]' assigned to the bank facilities of BESCO Limited with immediate effect. The above action has been taken at the request of BESCO Limited and 'No Objection Certificate' received from the bank that has extended the facilities rated by CARE Ratings Limited.

Analytical approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

[Policy on Withdrawal of Ratings](#)

About the company

Incorporated on December 13, 1928, as The Hukumchand Electric Steel Company Ltd., the name of the company was changed to Bhartia Electric Steel Company Ltd. in 1941 and finally to BESCO Ltd. in 1993. BESCO Ltd. is a railway equipment manufacturer, catering to the requirements of the Indian Railways (IR). It is one of the oldest wagon manufacturers with a captive foundry division in India.

After a family settlement in December 2004, followed by a Company Law Board (CLB) order in April, 2006, the foundry division came into the faction of Mr. A.K. Tania (AKT group) and wagon division went to the faction of his elder brother Mr. O.P Tania (OPT group). However only physical demerger of the divisions was completed as per the certificate dtd June 10, 2006 submitted by the Special Officer (appointed by CLB) to the Chairman of CLB. Accordingly, both the companies - BESCO Ltd. (Foundry division; belonging to AKT Group) and BESCO Ltd. (Wagon division; belonging to OPT group) are operating separately. Since the physical demerger, AKT group has been operating BESCO Ltd. (Foundry Division), which is engaged in manufacturing of steel casting products (bogies, couplers, draft gears, crossings, side buffers and coil springs) with a plant capacity of 14,000 MTPA in Baruipur, Kolkata. The division also has a unit in Faridabad where steel to rubber bonded components are manufactured

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	FY22 (A) & 9MFY23 (U/A)
Total operating income	32.12	55.36	NA
PBILDT	4.17	2.99	NA
PAT	0.49	0.31	NA
Overall gearing (times)	1.56	1.63	NA
Interest coverage (times)	1.08	0.82	NA

A: Audited; U/A: Unaudited; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Annexure-1: Details of facilities

Name of the Facilities	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Bank Guarantee		-	-	-	0.00	Withdrawn

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	-	-	1)CARE C; ISSUER NOT COOPERATING* (15-Nov-22)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (25-Aug-21)	1)CARE B; Stable; ISSUER NOT COOPERATING* (12-Jun-20)	-
2	Non-fund-based - ST-Bank Guarantee	ST	-	-	1)CARE A4; ISSUER NOT COOPERATING* (15-Nov-22)	1)CARE A4; ISSUER NOT COOPERATING* (25-Aug-21)	1)CARE A4; ISSUER NOT COOPERATING* (12-Jun-20)	-

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated.**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender detailsTo view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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Disclaimer:

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