

## Benara Bearings and Pistons Limited

November 18, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	47.01	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Short Term Bank Facilities	2.99	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4; (A Four)
<b>Total Bank Facilities</b>	<b>50.00</b> <b>(Rs. Fifty Crore Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale and key rating drivers

CARE had, vide its press release dated April 26, 2021, placed the rating(s) of Benara Bearings and Pistons Limited (BBPL) under the 'issuer non-cooperating' category as BBPL had failed to provide information for monitoring of the rating for the rating exercise as agreed to in its rating agreement. BBPL continues to be non-cooperative despite repeated request for submission of information through e-mail, phone calls and email dated November 17, 2021. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings have been revised on account of stressed liquidity position leading to delays in repayment of its debt obligations to banks/ financial institutions.

### Detailed description of the key rating drivers

#### Key Rating Weaknesses

#### Delays in debt servicing

There are delays in servicing of its debt obligations due to stressed liquidity position of the company and the account has been classified as NPA by banks/ financial institutions.

**Analytical Approach:** Standalone

#### Applicable Criteria

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

### About the Company

Benara Bearings & Pistons Ltd (BBPL), incorporated in 1970 by Mr. Panna Lal Jain, manufactures aftermarket automotive parts and has 2 units in Agra, Uttar Pradesh which manufactures engine bearings & bushes for stationary marine engines, pistons, pins, piston rings, engine bearing and bushes for all applications. Furthermore, the company is involved in the marketing of products like ball bearing, spark plugs, rocker arms, timing chains etc. On March 22, 2018, the company raised Rs 33.49 cr. through IPO proceeds and got listed on NSE SME and BSE Exchange

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

\*Issuer did not cooperate; Based on best available information

(Rs. in crore)

Brief Financials (Rs. crore)	FY20	FY21	H1FY22
	A	A	UA
Total operating income	109.87	41.70	13.37
PBILD	7.32	-10.45	-0.58
PAT	0.73	-13.83	-4.18
Overall gearing (times)	0.94	1.52	1.51
Interest coverage (times)	1.78	-1.90	-ve

A-Audited; UA- Unaudited

**Status of non-cooperation with previous CRA:** Not Applicable**Any other information:** Not Applicable.**Rating History for last three years:** Please refer Annexure-2**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3**Complexity level of various instruments rated for this company:** Annexure 4**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	-	8.41	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	38.60	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	2.99	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	8.41	CARE D; ISSUER NOT COOPERATING*	1)CARE B+; Stable; ISSUER NOT COOPERATING* (26-Apr-21)	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (25-Mar-20)	1)CARE BB+; Stable (22-Oct-18)
2	Fund-based - LT-Cash Credit	LT	38.60	CARE D; ISSUER NOT COOPERATING*	1)CARE B+; Stable; ISSUER NOT COOPERATING* (26-Apr-21)	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (25-Mar-20)	1)CARE BB+; Stable (22-Oct-18)
3	Non-fund-based - ST-BG/LC	ST	2.99	CARE D; ISSUER NOT COOPERATING*	1)CARE A4; ISSUER NOT COOPERATING* (26-Apr-21)	-	1)CARE A4; ISSUER NOT COOPERATING* (25-Mar-20)	1)CARE A4+ (22-Oct-18)

Long Term / Short Term

\*Issuer did not cooperate; based on best available information

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable

**Annexure 4: Complexity level of various instruments rated for this Company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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