

Bhilai Engineering Corporation Limited

July 22, 2022

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*) and Withdrawn
Long Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*) and Withdrawn
Total Bank Facilities	0.00 (₹ Only)		

Details of facilities in Annexure-1

Detailed Rationale and Key Rating Drivers

CARE has reaffirmed and simultaneously withdrawn outstanding rating of 'CARE D; Issuer Not Cooperating /CARE D; Issuer Not Cooperating' (Single D; Issuer Not Cooperating / Single D; ISSUER NOT COOPERATING*) assigned to the bank facilities of Bhilai Engineering Corporation Limited (BECL) with immediate effect. The rating withdrawal is at the request of BECL and 'No Objection Certificate' received from the banks that have extended the facilities rated by CARE.

Detailed description of the key rating drivers

At the time of last rating on June 20, 2022 the following was the rating weaknesses updated based on feedback received from the bankers as well as publicly available information i.e. ROC filings.

Key Rating Weaknesses

Ongoing delays in debt servicing – Based on an interaction the banker there are ongoing delays in debt servicing on account of stressed liquidity.

Analytical Approach: Standalone

Applicable criteria

[Policy on Withdrawal of ratings](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

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

[Policy on Default Recognition](#)

[Rating Methodology - Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

[Criteria for Short Term Instruments](#)

About the Company:

Bhilai Engineering Corporation Limited (BECL) is a public limited company which was setup in 1960. Mr. A.K. Jain is the Chairman and Mr. Veenu Jain is the Managing Director of BECL. The company is into the manufacturing of specialized equipment's and products for heavy engineering industries. It is also into manufacturing of fertilisers and food products. The company has its shares listed on BSE however, they stand suspended due to penal reason since 01 October, 2002. The company has issued a notice dated October 15, 2020 seeking approval from public shareholders through a postal ballot for voluntary delisting from the BSE platform.

Brief Financials (₹ crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	711.70	649.25	NA	NA
PBILDT	54.85	87.07	NA	NA
PAT	-42.68	-9.66	NA	NA
Overall gearing (times)	0.51	0.55	NA	NA
Interest coverage (times)	1.63	2.17	NA	NA

A: Audited; Prov.: Provisional, NA: Not Available

¹ Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE publications

*Issuer did not cooperate; Based on best available information

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: Please refer Annexure 3

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-Letter of credit		-	-	-	0.00	Withdrawn

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ 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 D; ISSUER NOT COOPERATING* (20-Jun-22)	1)CARE D; ISSUER NOT COOPERATING* (05-Apr-21)	1)CARE D (06-Jan-21)	1)CARE B; Stable (30-Mar-20)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (20-Jun-22)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (05-Apr-21)	1)CARE D / CARE D (06-Jan-21)	1)CARE B; Stable / CARE A4 (30-Mar-20)
3	Non-fund-based - LT/ ST-Letter of credit	LT/ST	-	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (20-Jun-22)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (05-Apr-21)	1)CARE D / CARE D (06-Jan-21)	1)CARE B; Stable / CARE A4 (30-Mar-20)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/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	Non-fund-based - LT/ ST-Bank Guarantee	Simple
3	Non-fund-based - LT/ ST-Letter of credit	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

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.careedge.in. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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