

## Binani Industries Limited

March 23, 2018

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long term Bank Facilities	474.93	<b>CARE D; ISSUER NOT COOPERATING*(Single D; ISSUER NOT COOPERATING*)</b>	Issuer not cooperating; Based on best available information.
<b>Total</b>	<b>474.93</b> <b>(Rupees Four Hundred Seventy-Four crore and Ninety-Three lakhs only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

Binani Industries Limited has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE's rating on Binani Industries Limited's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING\***.

***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 take into account ongoing delays in servicing of its debt obligation to banks.

### Detailed description of the key rating drivers

As mentioned above, there are ongoing delays in servicing of its repayment obligations to banks since Sept 2016, and the account is recognized as NPA. One of a creditor has filed a winding up petition on November 19, 2016 against the company with the Hon. Court of Calcutta and has been admitted by the court on September 20, 2017. Further, the auditor has certified the defaults in repayment of dues to banks in the FY17 audit report.

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)  
[Criteria on assigning Outlook to Credit Ratings](#)  
[CARE's Policy on Default Recognit](#)

### About the Company

*Binani Industries Limited (BIL) was incorporated on August 02, 1962, and is the holding company of the manufacturing businesses of the Braj Binani Group. The group is working in the cement, zinc, glass fibre and downstream composite products sectors. BIL earns revenue by way of royalty income from its subsidiaries for usage of its brand name and also*

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

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

earns revenue for management services that it provides to its subsidiaries/group companies. The major operating companies of BIL are Binani Cement Limited, 3B Fibreglass SPRL (3B) and Goa Glass Fibre Limited.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	249.42	167.27
PBILDT	-40.35	-6.67
PAT	19.13	10.67
Overall gearing (times)	0.77	0.77
PBILDT Interest coverage (times)	-ve	-ve

A: Audited

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating History for last three years:** Please refer Annexure-2

**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.

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	November 15,2011	LIBOR+800 bps	December 31,2024	474.93 <sup>@</sup>	CARE D Issuer not cooperating; Based on best available information

<sup>@</sup> Foreign currency loans amounting USD 69.75 mn converted into INR at the rate of Rs.68.09/USD

\*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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	474.93	CARE D Issuer not cooperating; Based on best available information	1)CARE D (09-Oct-17)	1)CARE D (29-Nov-16) 2)CARE B+ (12-Apr-16)	1)CARE BB (17-Apr-15)	-

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

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