

Binani Industries Limited

August 30, 2019

Ratings

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

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 23, 2018, placed the rating of Binani Industries Limited (BIL) under the 'issuer non-cooperating' category as BIL had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. BIL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated May 31, 2019, June 03, 2019, June 05, 2019, June 07, 2019, June 28, 2019, July 03, 2019 and phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating 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).

Detailed description of the key rating drivers

BIL's rated term loan was extended by EXIM Bank and backed by a corporate guarantee from Binani Cement Limited. As per BIL management, EXIM Bank subsequently invoked the guarantee and claimed the amount from Binani Cement Limited which was under Corporate Insolvency Resolution Process (CIRP). However, after acquisition of Binani Cement Limited by Ultratech Cement Limited (UCL), this loan was proposed to be paid by UCL as per the approved revised 'Resolution Plan' submitted by 'Ultratech Cement Limited' in National Company Law Appellate Tribunal (NCLAT) order dated November 14, 2018.

However, CARE has not received 'No Due Certificate' and confirmation from the banker i.e. EXIM Bank or BIL, with regards to the payment status of the rated loan and is therefore not in a position to ascertain the status of the outstanding rated debt. Also, BIL has not published the audited financial results for the year ended March 31, 2019.

Analytical approach: Standalone

Applicable Criteria

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

[CARE's Policy on Default Recognition](#)

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 actively 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 earns revenue for management services that it provides to its subsidiaries/group companies.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)*
Total operating income	167.27	42.81
PBILDT	-6.67	-6.97
PAT	10.67	-5.05
Overall gearing (times)	0.77	0.76
PBILDT Interest coverage (times)	-ve	-ve

A: Audited; Source: BIL website

¹Complete definitions of the ratings assigned are available at www.careratings.com 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

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	-	-	-	474.93	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; 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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	474.93	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Mar-18) 2)CARE D (09-Oct-17)	1)CARE D (29-Nov-16) 2)CARE B+ (12-Apr-16)

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. Investors/market intermediaries/regulators or others are welcome to write to 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.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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