

December 20, 2022

Beardsell Limited: Ratings withdrawn for bank loan facilities; Rating Outstanding on Fixed Deposits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund Based – Cash Credit	14.85	14.85	[ICRA]BB (Stable); withdrawn
Long Term – Fund Based – Working Capital Term Loan	3.97	3.97	[ICRA]BB (Stable); withdrawn
Long Term – Fund Based – Working Capital Demand Loan	0.11	0.11	[ICRA]BB (Stable); withdrawn
Short Term - Non-Fund Based – Bank Guarantee	20.00	20.00	[ICRA]A4; withdrawn
Short Term – Non-fund Based – Letter of Credit	(12.00)	(12.00)	[ICRA]A4; withdrawn
Total	38.93	38.93	
Long Term – Fixed Deposit	5.00	5.00	[ICRA]BB(Stable); Outstanding

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Beardsell Limited (BSL) at the request of the company and based on the No objection certificate received from the bankers. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The key rating drivers, liquidity position, rating sensitivities and key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Beardsell Limited. As on March 31, 2022, the company had one subsidiary and one controlled entity, which are listed out in Annexure-2.

About the company

Beardsell Limited was incorporated in 1936 with its head office in Chennai. It manufactures insulation products such as prefabricated products and packaging and moulded products. The prefabricated segment comprises panel products, which find applications in sectors such as cold storages, affordable housing, food processing plants, pharma and roofing applications. The company's packaging and moulded products segment manufactures panels (expanded polystyrene sheets and rigid polyurethane foam slabs) primarily used for composite packaging, anti-static packaging, building insulation, etc, that find application in the consumer durables industry. Besides, BSL trades in industrial motors in the domestic market. It is a channel partner for Siemen's electric motors in Tamil Nadu. The company has six manufacturing units, one each in Chennai, Thane, Karad, Hyderabad, Maler (Karnataka) and Hapor. Its registered office is in Chennai with nine branches pan-India.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years:

	Instrument	Current rating (FY2023)							Chronology of rating history for the past 3 years				
		Type	Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Current rating				Date & rating in FY2022		Date & rating in FY2021	Date & rating in FY2020	
					Dec 20, 2022	June 29, 2022	June 07, 2022	Apr 18, 2022	Mar 29, 2022	Apr 07, 2021	Jul 31, 2020	May 31, 2019	Apr 04, 2019
1	Long Term Loan	Long-Term	-	-	-	-	[ICRA]BB (Stable)	[ICRA]BB (Stable)	-	-	-	-	-
2	Cash Credit	Long-Term	14.85	-	[ICRA]BB (Stable); Withdrawn	[ICRA]BB (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)	-	-	-	-	-
3	Working Capital Term Loan	Long-Term	3.97	-	[ICRA]BB (Stable); Withdrawn	[ICRA]BB (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)	-	-	-	-	-
4	Working Capital Demand Loan	Long-Term	0.11	-	[ICRA]BB (Stable); Withdrawn	[ICRA]BB (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)	-	-	-	-	-
5	Letter of Credit	Short-Term	(12.00)	-	[ICRA]A4; Withdrawn	[ICRA]A4	[ICRA]A4	[ICRA]A4	-	-	-	-	-
6	Bank Guarantees	Short-Term	20.00	-	[ICRA]A4; Withdrawn	[ICRA]A4	[ICRA]A4	[ICRA]A4	-	-	-	-	-
7	Fixed Deposits	Long-Term	5.00	-	[ICRA]BB (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)	MB+ (Stable)	MB+ (Stable)	MB+ (Stable)	MB+ (Stable)	MB+ (Stable)	MB+ (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Working Capital Term Loan	Simple
Working Capital Demand Loan	Simple
Letter of Credit	Very Simple
Bank Guarantees	Very Simple
Fixed Deposit	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Cash Credit	NA	11.85%	NA	14.85	[ICRA]BB (Stable); Withdrawn
NA	Working Capital Term Loan	6 August, 2020	7.50%	FY2025	3.97	[ICRA]BB (Stable); Withdrawn
NA	Working Capital Demand Loan	NA	6.85%	FY2023	0.11	[ICRA]BB (Stable); Withdrawn
NA	Letter of Credit	NA	NA	NA	(12.00)	[ICRA]A4; Withdrawn
NA	Bank Guarantees	NA	NA	NA	20.00	[ICRA]A4; Withdrawn
NA	Fixed Deposits	NA	NA	NA	5.00	[ICRA]BB (Stable)

Source: Company; **Note:** Amount in Rs. Crore

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis-

Company Name	BSL Ownership	Consolidation Approach
Beardsell limited	100%	Full Consolidation
Sarovar Insulation Pvt. Ltd.	100%	Full Consolidation
Saideep Polythermal	100%	Full Consolidation

Source: BSL annual report FY2022

Note: ICRA has taken a consolidated view of the parent (BSL), its subsidiaries and associates while assigning the ratings.

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About ICRA Limited:

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Branches



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