

October 27, 2022

Bright Brothers Limited: Moved to Non-Cooperating Category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Term Loan	8.97	8.97	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating Moved to the 'Issuer Not Cooperating' Category.
Short Term – Fund Based – Working Capital	55.00	55.00	[ICRA]A4+ ISSUER NOT COOPERATING*; Rating Moved to the 'Issuer Not Cooperating' Category.
Total	63.97	63.97	

*Instrument details are provided in Annexure-I

Rationale

ICRA has moved the ratings for the bank facilities of Bright Brothers Limited (BBL) in the 'Issuer Not Cooperating' category. The rating is denoted as “[ICRA]BB+ (Stable)/[ICRA]A4+; ISSUER NOT COOPERATING”

As part of its process and in accordance with its rating agreement with Bright Brothers Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on standalone financial statements of the issuer.

About the company

Incorporated in 1946, BBL manufactures injection moulded plastic products. The company caters primarily to white goods manufacturing companies such as Whirlpool of India Limited, Eureka Forbes, and Carrier Midea India Pvt. Ltd., among others. BBL also manufactures toothbrush handles for Procter & Gamble on a job-work basis (through Rialto Enterprises Pvt. Ltd.). Furthermore, it manufactures and markets material handling plastic crates under its own brand name, 'Brite', and is involved in trading hair care and beauty products under the 'Divo' brand, procured from China and Taiwan. The company has six manufacturing units currently—three in Puducherry and one each in Faridabad (Haryana), Bhimtal (Uttarakhand) and Dehradun (Uttarakhand).

Key financial indicators (audited)

	FY2021	FY2022	Q1 FY2023
Operating Income (Rs. crore)	202.27	230.25	64.54
PAT (Rs. crore)	5.70	31.96	0.32
OPBDIT/OI (%)	8.76%	5.67%	4.49%
PAT/OI (%)	2.82%	13.88%	0.50%
Total Outside Liabilities/Tangible Net Worth (times)	2.53	1.12	-
Total Debt/OPBDIT (times)	4.09	3.86	-
Interest Coverage (times)	42	36	-

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2023)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Amount outstanding	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020		
				Oct 27, 2022	Jul 30, 2021	-	Jan 28, 2020	Jul 29, 2019	Jun 25, 2019
1 Term Loan	Long Term	8.97		[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	-	[ICRA]BB (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)
2 Fund Based – Bank Facilities	Short Term	55.00		[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A4+	-	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
3 Issuer Rating	-	-		-	-	-	-	[ICRA]BB (Stable); Withdrawn	[ICRA]BB (Stable); placed on notice of withdrawal for one month
4 Fixed Deposit Programme	Medium Term	-		-	-	-	MB+ (Stable) ISSUER NOT COOPERATING; Withdrawn	MB+ (Stable) ISSUER NOT COOPERATING on notice of withdrawal	MB+ (Stable) ISSUER NOT COOPERATING; placed on notice of withdrawal for six months

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based – Term Loan	Simple
Short Term – Fund Based – Working capital	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: www.icra.in

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Term Loan	January 2019	8.2%	June 2023	8.97	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
-	Fund Based – Bank Facilities	-	-	-	55.00	[ICRA]A4+; ISSUER NOT COOPERATING

Source: Company

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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