



Press Release

Badri Rai & Company

April 06, 2023

Ratings

Facility	Amount (Rs. Crore)	Ratings	Rating Action	Complexity Indicator
Long Term bank facilities	73.71	IVR D (IVR D)	Revised from IVR BBB+; Stable (IVR Triple B Plus with Stable Outlook)	Simple
Short Term Bank facilities	226.00	IVR D (IVR D)	Revised from IVR A2 (IVR A Two)	Simple
Total	299.71 (Rupees two hundred ninety-nine crore and seventy-one lakh only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Badri Rai & Company (BRC) is due to delays by the firm in servicing its working capital term loan limit with one of the lenders. Earlier, Infomerics assigned rating based on, inter-alia, feedback received from all the lenders of delay free track record of debt servicing of the rated facilities. However, subsequent communication from one of the lenders indicated recent delays in repayment. Infomerics, in line with its policy on default recognition, has revised the ratings assigned to bank facilities of BRC.

Key Rating Sensitivities:

Upward factors

- Timely debt servicing for three consecutive months or more would be positive for the ratings.

List of Key Rating Drivers with Detailed Description

Key Rating Weaknesses

- Delays in servicing of debt obligations

The firm has delayed the servicing of its working capital term debt obligations to one of its lenders. This delay is due to erratic receipt of inflows leading to non-availability of funds in the escrow account on the due dates.



Press Release

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria on default recognition](#)

Liquidity: Poor

The liquidity position of BRC appears to be poor due to delay in debt servicing obligation.

About the Firm

Badri Rai & Company (BRC) is a Dibrugarh (Assam) based partnership firm established in 1975. Currently Mr. Arun Rai, Mr. Ajay Rai and Mr. Anuj Kansal are the three partners of the firm. The firm is engaged in civil and road construction activity. The firm undertakes diversified projects, which includes infrastructure projects, Residential Housing, Commercial Building, Structural steel, site grading, Foundations, Embankment work and Industrial Plant Building, etc. The firm is registered as Class 1 contractor with CPWD, Class 1(A) contractor with PWD, Assam. It is empanelled with National Building Construction Corporation Ltd (NBCC) and Military Engineer Services (MES).

Financials of Badri Rai & Company (Standalone):

For the year ended* / As On	(Rs. crore)		
	31-03-2021	31-03-2022	11MFY23
	Audited	Audited	Unaudited
Total Operating Income	309.28	610.52	527.73
EBITDA	40.54	74.70	69.68
PAT	19.51	39.81	44.07
Total Debt	62.76	62.76	-
Tangible Net worth	85.02	85.02	-
Adjusted Tangible Net Worth	78.21	111.97	-
EBITDA Margin (%)	13.11	12.24	13.20%
PAT Margin (%)	6.31	6.52	8.35%
Overall Gearing Ratio (x)	0.88	0.82	-
Interest Coverage Ratio (x)	12.85	11.21	9.35

*Classification as per Infomerics' standards.



Press Release

Status of non-cooperation with previous CRA: Brickwork ratings vide its press release date January 06, 2023 maintained the rating in issuer not cooperating category due to non-submission of information by the firm.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2022-23)				(Rs. Crore)		
		Type	Amount outstanding (Rs. Cr.)	Rating	Rating (March 30, 2023)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit	Long Term	23.50	IVR D	IVR BBB+; Stable	-	-	-
2.	Term Loan	Long Term	37.71	IVR D	IVR BBB+; Stable	-	-	-
3.	Bank Guarantee	Short Term	142.50	IVR D	IVR A2	-	-	-
4.	Stand By Line of Credit	Short Term	1.00	IVR D	IVR A2	-	-	-
5.	Proposed Cash Credit	Long Term	12.50	IVR D	IVR BBB+; Stable	-	-	-
6.	Proposed Bank Guarantee	Short Term	82.50	IVR D	IVR A2	-	-	-

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About Infomerics Ratings:

Infomerics Valuation and Rating Private Ltd. (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).



Press Release

Adhering to best international practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust, and credible rating has gained the confidence of investors and banks.

Infomerics has a pan India presence with head office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy, or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Cr)	Rating Assigned/ Outlook
Long Term Fund Based Limit- Cash Credit	-	-	-	23.50	IVR D
Long Term Fund Based Limit- Term Loan	-	-	October 2025	37.71	IVR D
Short Term Non- Fund Based Limit- Bank Guarantee	-	-	-	142.50	IVR D
Short Term Fund Based Limit- Stand By Line of Credit	-	-	-	1.00	IVR D
Proposed Long Term Fund Based Limit- Cash Credit	-	-	-	12.50	IVR D
Proposed Short Term Non-Fund Based Limit- Bank Guarantee	-	-	-	82.50	IVR D

Annexure 2: Facility wise lender details:

https://www.infomerics.com/admin/prfiles/Lender_Details_BRC_06_04_2023.pdf



Press Release

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

