



Press Release

Begorra Infrastructure and Developers Private Limited (BIDPL)

January 24, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Term Loan	0.00	Withdrawn	IVR BBB-/ Negative (IVR Triple B Minus with Negative Outlook)	Withdrawn*	Simple
Long Term Bank Facilities – Cash Credit	47.75	IVR BBB-/ Negative (IVR Triple B Minus with Negative Outlook)	IVR BBB-/ Negative (IVR Triple B Minus with Negative Outlook)	Rating reaffirmed	Simple
Short Term Bank Facilities – Bank Guarantee	32.50	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating reaffirmed	Simple
Short Term Bank Facilities – Bills Discounting	10.00	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating reaffirmed	Simple
Proposed Short Term Bank Facilities – Bank Guarantee	8.48	IVR A3 (IVR A Three)	--	Assigned	Simple
Total	98.73 (Rupees Ninety-Eight crore and Seventy-Three lakh only)				

*Infomerics has withdrawn the ratings for this facility on the basis of request by the company, and no dues certificate by the banker. The rating is withdrawn in line with Infomerics policy of Withdrawal of rating.



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Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has reaffirmed its rating assigned to the bank facilities of BIDPL as the company continues to derive strength from comfortable capital structure, moderate order book position and experienced promoters with long track record in EPC. The ratings are however constrained by deteriorating revenue and margins, working capital intensive nature of operations, highly fragmented and competitive nature of the construction sector with significant price war coupled with tender based nature of business.

The Negative outlook reflects pending recovery to be seen in revenue and profit performance. However, the capital structure has improved in FY24 (refers to the period from April 1, 2023, to March 31, 2024) owing to substantial dip in debtors and pre-repayment of long-term loans which lends support to financial profile. The company is diversifying into NHAI orders which would provide more stability to revenues while reducing working capital intensity owing to better payment cycle.

Key Rating Sensitivities:

Upward Factors

- Improvement in order book and timely execution of the same
- Substantial & sustained improvement in revenue and/or profitability while maintaining debt protection metrics.

Downward Factors

- Inability to improve order book and/or any further decline in revenue and/or profitability leading to deterioration in debt protection metrics.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Comfortable capital structure

BIDPL's capital structure continued to remain comfortable with improvement in overall gearing and TOL/TONW to 0.64x and 0.99x respectively in FY24 from 1.24x and 1.74x respectively in FY23. However, interest coverage ratio has deteriorated to 1.57x in FY24 from 1.82x in FY23 due to decrease in EBITDA. Further, Total debt/ NCA ratio has remained rangebound at 11.67x – 11.91x in FY23-FY24.

Moderate Orderbook position

BIDPL has a good track record of successfully executing various roads and highway projects and has a good order book based on its past execution capabilities and timely deliveries. Over the past years, the company has successfully completed many projects in the state of Kerala. The company has reputed clientele of government bodies like Kerala Road Fund Board and Kerala Public Works Department. The company has completed many major as well as minor projects and has orders in hand of around Rs. 74.04 crore (1.12x times of FY24 revenue) as at January, 2025.

Experienced promoters with long track record in EPC

BIDPL has established operational track record of more than a decade in EPC construction of roads, bridges, buildings & other related civil infrastructure primarily in the state of Kerala. The overall operations of the company are currently looked after by the directors - Mr. Abraham Thomas, Mr. Santhosh Sebastian, Mr. Alwin John, Swapna Abraham and Sandeep Sebastian collectively having an experience of more than two decades. The extensive experience of the promoters and successful track record of operation has helped the company in acquiring various government customers. The directors are well supported by a team of experienced and qualified professionals.



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Key Rating Weaknesses

Deterioration in revenue and margins

BIDPL's total operating has declined by 30.04% in FY24 to Rs. 66.32 crore from Rs. 94.78 crore in FY25 due to low bidding for new contracts on account of elongated payment cycle from various Kerala state government entities. The company is now diversifying into NHAI projects which are expected to provide revenue stability in the medium term. BIDPL has achieved revenue of Rs. 26.51 crore in 9MFY25 and is expected to achieve revenue of Rs. 76.54 crore in FY25 through execution of unexecuted orders and unbilled revenues as on December 2024. The company has unbilled revenue of Rs. 22.18 crore for executed orders as on December 2024.

EBITDA margin has declined to 14.25% in FY24 from 18.38% in FY23 due to decrease in revenue.

Working Capital intensive nature of operations and high receivable days

The operation of the company is working capital intensive. The company raises bills after the completion of work contract. The company's client base is majorly various Kerala state government entities where in the payments cycle is elongated. The average collection period stood at 371 days in FY24, though debtors have reduced from Rs. 84.23 crore as on March, 2023 to Rs. 43.27 crore in March, 2024 and further to Rs. 12.04 crore as on December, 2024. The company makes payment to the creditors as and when the payments are realized. The average inventory days have been 248 days in FY24 whereas the average creditors days in FY24 stood at 110 days though are expected to reduce in FY25.

Highly fragmented and competitive nature of the construction sector with significant price war coupled with tender based nature of business

The domestic infrastructure/construction sector is highly crowded with presence of many players with varied statures & capabilities. The boom in the infrastructure sector, a few years back resulted in an increase in the number of players. While the competition is perceived to be healthy, significant price cut by few players during the bidding process is a matter of serious concern for the users with respect to quality of output. Further, given the largely tender based



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procurement mechanism also increases the competition to an extent especially amongst the entities which have a limited geographic distribution of projects.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria on assigning rating outlook](#)

[Criteria on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on withdrawal of ratings](#)

Liquidity – Adequate

The liquidity position of the company remains adequate as cash accruals are expected to match adequately with debt repayment obligations. The free cash balance as on March 31, 2024, stood at Rs. 1.20 crore. The average working capital utilisation for 12 months ending December 2024 has been 49.19%. The current ratio and quick ratio stood at 1.62x and 0.91x respectively in FY24.

About the Company

Begorra Infrastructure and Developers Private Limited (BIDPL) is a Class-1A contractor incorporated in May 2010 and located at Ranni in Pathanamthitta district, Kerala. The overall operations of the company are currently looked after by the directors - Mr. Abraham Thomas, Mr. Santhosh Sebastian and Mr. Alwin John. The company is engaged in the EPC construction of roads, bridges, buildings & other related civil infrastructure primarily in the state of Kerala.



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Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	94.78	66.32
EBITDA	17.42	9.45
PAT	3.02	0.28
Total Debt	74.72	38.70
Tangible Net Worth	50.61	50.89
EBITDA Margin (%)	18.38	14.25
PAT Margin (%)	3.17	0.42
Overall Gearing Ratio (x)	1.24	0.64
Interest Coverage (x)	1.82	1.57

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (November 1, 2023)	Date(s) & Rating(s) assigned in 2022-23 (September 2, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan	Long Term	0.00	Withdrawn	IVR BBB-/ Negative	IVR BBB-/ Stable	--
2.	Cash Credit	Long Term	47.75	IVR BBB-/ Negative	IVR BBB-/ Negative	IVR BBB-/ Stable	--
3.	Bank Guarantee	Long Term	32.50	IVR A3	IVR A3	IVR A3	--
4.	Bills Discounting	Long Term	10.00	IVR A3	IVR A3	IVR A3	--
5.	Proposed Bank Guarantee	Short Term	8.48	IVR A3	--	--	--



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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	--	--	--	47.75	IVR BBB-/ Negative
Bank Guarantee	--	--	--	32.50	IVR A3
Bills Discounting	--	--	--	10.00	IVR A3
Proposed Bank Guarantee	--	--	--	8.48	IVR A3

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-BIDPL-jan25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: 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.