



Press Release
April 07, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE A- Stable Assigned	-
Bank Loan Ratings	45.00	ACUITE A- Stable Reaffirmed Negative to Stable	-
Bank Loan Ratings	25.00	-	ACUITE A2+ Assigned
Bank Loan Ratings	180.00	-	ACUITE A2+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	270.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of ‘**ACUITE A-**’ (read as **ACUITE A minus**) and short-term rating at ‘**ACUITE A2+**’ (read as **ACUITE A two plus**) on Rs.225.00 crore bank facilities of Bygging India Limited (BIL). The outlook is revised to ‘**Stable**’ from ‘**Negative**’.

Acuite has assigned its long-term rating of ‘**ACUITE A-**’ (read as **ACUITE A minus**) and short-term rating at ‘**ACUITE A2+**’ (read as **ACUITE A two plus**) on Rs.45.00 crore bank facilities of Bygging India Limited (BIL). The outlook is ‘**Stable**’.

Rationale for reaffirmation and revision in outlook

The reaffirmation and revision in outlook factors in the improvement in the overall operating performance of the company marked by improvement in profitability margins along with a healthy order book position. Further, the rating also continues to factor in experienced management with established track record of operations, moderate financial risk profile and adequate liquidity. The rating also draws support from the low cost financial and technical assistance company received being a wholly owned subsidiary of Global Dominican Access Societed Anomina. However, the rating is constrained by working capital intensive nature of operations and geographical concentration and execution risk.

About the Company

Bygging India Limited (BIL) was incorporated in 1983 and has its headquarter in Delhi. BIL is a wholly owned subsidiary of Global Dominican Access Societed Anomina, holding 88.41 per stake as on 31st March 2024. BIL is engaged in construction of RCC chimneys for power generation entities and is also involved in engineering and construction of other tall structures such as Prilling towers, silos, cooling towers and window towers. The company caters to industries such as oil & Gas, Power Generation, Petrochemicals, Cement, Steel, Refineries and Metal manufacturing industries. The directors of the company are Mr. Roberto Tobillas Angulo, Mr. Gopal Ravishankar Modi, Mr. German Pradera Lanza, Mr. Ram Babu Jhalani, Ms. Jyoti, and Ms. Jyoti Bansal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of BIL to arrive at the rating

Key Rating Drivers

Strengths

Experienced management and established track record of operations

The company has a long operational track record for over three decades and is led by Mr. R.B.Jhalani (CEO and Whole-time director). The management of the company has an extensive experience of more than three decades in the construction industry. Hence, the long track record of operations has enabled company to build strong relationship with customer and supplier. The company is further supported by qualified professionals across the hierarchy to support the day-to-day operations of the company. Acuite believes that the company is expected to benefit from the experienced management team.

Steady operating performance and comfortable order book position

The company has recorded an operating income of Rs.212.83 crore in FY2024 as against Rs.207.18 crore in FY2023 due to healthy execution of orders. Further, the company has recorded revenue of Rs. 167.70 Cr. as on 9MFY25 and expected close the year at Rs. 220.00 Cr. Operating margin improved and stood at 10.58 percent in FY2024 as against 6.22 percent in FY2023 as the margins of the company varies with the different project execution, going forward, the company is expected to report EBITDA margins in the range of 12-14 percent. The PAT margins also improved significantly and stood at 5.90 percent in FY2024 as against 0.32 percent in FY2023.

The company has an unexecuted order book of ~ Rs. 450 crore as of December 2024 which gives revenue visibility for the medium term. The company has been executing work order for reputed organizations such as Bharat Heavy Electricals Limited (BHEL), NTPC, GE Power India, Nabi Nagar Power Generating Company Limited (NPGCL), Bridge & Roof, Toshiba Engineering, HTG Engineering, JSW Ispat, TATA Projects Limited, ADANI Power, etc. The company caters to industries such as oil & Gas, Power Generation, Petrochemicals, Cement, Steel, Refineries and Metal manufacturing industries. The company has also started diversifying their business into tall and specialized structures (i.e., Natural Draft Cooling Tower (NDCT), induced draft cooling towers (IDCT) and Dome silos projects for Reliance and among others, which is newly introduced in India, and has started acquiring orders for the same.

Financial and technical assistance provided by Global Dominion Access Societed Anomina

BIL is a wholly owned subsidiary of Global Dominion Access Societed Anomina, a Spanish company having established track record of two decades. The company is predominantly engaged in the construction and engineering segment. It has a worldwide presence through its subsidiaries in Europe, USA, Asia and Africa. The company has 88.41 per cent of stake in BIL, which has benefitted company by gaining access to low cost technical and financial assistance. Moving ahead, the Spanish parent is expected to acquire 100 per cent stake in BIL post March 2028. The association with the company has also enabled them to avail borrowings at lower interest cost. The company has started to execute work order w.r.t construction of Natural Draft Cooling Towers, IFFCO for dome silo's and among others for which the company would be receiving technical assistance from the parent company. Acuite believes that the parent would continue to support the BIL in medium to long term due to strategic presence and its market standing.

Moderate Financial Risk Profile

The financial risk profile of the company stood moderate marked by healthy net worth, low gearing, and moderate debt protection metrics. The tangible net worth stood at Rs.122.07 crore as on 31 March 2024 as against Rs.109.52 crore as on 31 March 2023 due to accretion of profits to reserves. The total debt of the company stood at Rs. 53.69 crore includes Rs. 0.49 crore of long-term debt, Rs. 0.65 crore of CPLTD, Rs.26.99 crore of Unsecured loans and Rs. 25.56 crore of short-term debt as on 31 March 2024. The gearing (debt-equity) improved and stood at 0.44 times as on 31 March 2024 as compared to 0.81 times as on 31 March 2023. Interest Coverage Ratio improved and stood at 4.25 times for FY2024 as against 1.61 times for FY2023. Debt Service Coverage Ratio (DSCR) stood at 2.92 times in FY2024 as against 1.23 times in FY2023. Total outside Liabilities/Total Net Worth (TOL/TNW) stood at 0.96 times as on 31 March 2024 as against 1.45 times as on 31 March 2023. Acuite believes that the financial risk profile of BIL is likely to remain moderate on account of stable margins and conservative financial policy.

Weaknesses

Working Capital Intensive Operations

The operations of the company remained working capital intensive marked by GCA days of 292 days in FY2024 as against 294 days in FY2023. The GCA days are driven by high debtor days and other current assets. The inventory days stood at 32 days in FY2024 as against 25 days in FY2023. The debtor days stood at 113 days in FY2024 as against 133 days in FY2023. BIL generally gives a credit period of 30-45 days to its customers, sometimes 90 days. Majority of the orders which BIL caters to are tender-based contracts of public sector units and private players. Also, the company is in use of discounting bills method from RXIL (Receivables Exchange of India limited) particularly for government companies through which the payment gets recovered faster. The Creditor days stood at 98 days in FY2024 as against 94 days in FY2023. However, BIL generally allows a credit period of 90 days to its suppliers. The average consolidated utilization of fund-based limits is ~20.83 per cent and of non-

fund-based is around ~55 per cent for the past 06 months ended February 2025.

Geographical concentration and execution risk

The company is executing work orders across 12 states, out of which most of the work order is being executed in the state of Bihar. On the equipment front, the company has well developed asset base for execution. However, the company also hires heavy machinery such as cranes and transit equipment on lease. However with the long-standing relationship with BHEL and Adani Power, the risk of work execution is expected to remain minimal.

Rating Sensitivities

- Sustain improvement in revenues and profitability margins
- Any elongation of the working capital cycle leading to deterioration in the liquidity profile
- Any delay in execution of work orders
- Changes in financial risk profile owing to higher debt or lower assistance from parent

Liquidity Position

Adequate

The company's liquidity position is adequate, marked by adequate net cash accruals against its maturity debt obligations. The company generated net cash accruals of Rs. 16.41Crore in FY2024 against its maturity repayment obligations of Rs. 1.47 crore in the same tenure. The average consolidated utilization of fund-based limits is ~20.83 per cent and of non-fund-based is around ~55 per cent for the past 06 months ended February 2025. The company maintains unencumbered cash and bank balances of Rs. 3.65 crore as on March 31, 2024. The current ratio of the company stands at 2.16 times as on March 31, 2024, as against 1.36 times as on 31 March 2023. Acuite believes that liquidity profile of the company is expected to remain adequate in the near to medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	212.83	207.18
PAT	Rs. Cr.	12.55	0.67
PAT Margin	(%)	5.90	0.32
Total Debt/Tangible Net Worth	Times	0.44	0.81
PBDIT/Interest	Times	4.25	1.61

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Jun 2024	Working Capital Demand Loan (WCDL)	Long Term	10.00	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Working Capital Demand Loan (WCDL)	Long Term	35.00	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Bank Guarantee (BLR)	Short Term	145.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE Not Applicable (Withdrawn)
08 Mar 2023	Working Capital Demand Loan (WCDL)	Long Term	30.00	ACUITE A- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	30.00	ACUITE A- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	5.00	ACUITE A- Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	55.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	70.00	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2+ (Assigned)
07 Mar 2022	Cash Credit	Long Term	1.50	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Working Capital Demand Loan (WCDL)	Long Term	30.00	ACUITE A- Stable (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	3.50	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	45.00	ACUITE A2 (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Barclays Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	145.00	Simple	ACUITE A2+ Reaffirmed
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A2+ Reaffirmed
Barclays Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A2+ Assigned
Axis Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A- Stable Reaffirmed Negative to Stable
Barclays Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A- Stable Reaffirmed Negative to Stable
Barclays Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A- Stable Assigned

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About Acuité Ratings & Research

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