



Press Release

B C Bhuyan Constructions Private Limited

April 30, 2025

Ratings

| Instrument / Facility | Amount (Rs. crore) | Current Ratings | Previous Ratings | Rating Action | Complexity Indicator |
|------------------------------|---|---|---|----------------------|-----------------------------|
| Long Term Bank Facility | 33.99 (enhanced from 29.00) | IVR BBB; Stable (IVR Triple B with Stable Outlook) | IVR BBB; Stable (IVR Triple B with Stable Outlook) | Rating reaffirmed | Simple |
| Short Term Bank Facility | 93.00 (enhanced from 53.00) | IVR A3+ (IVR A three plus) | IVR A3+ (IVR A three plus) | Rating reaffirmed | Simple |
| Total | 126.99 (Rupees one hundred twenty-six crore and ninety-nine lakh only) | | | | |

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

Detailed Rationale

The reaffirmation in the ratings assigned to the bank facilities of B C Bhuyan Constructions Private Limited (BCBCPL) continues to derive strength from its experienced promoters with proven project execution capability, stable business performance with growth in scale of operation, comfortable financial risk profile marked by healthy capital structure and satisfactory debt protection metrics, reputed clientele albeit customer concentration and satisfactory order book size reflecting satisfactory medium-term revenue visibility. However, these rating strengths are partially offset by its exposure to geographical and sectorial concentration risk, susceptibility of operating margin to volatile input prices and tender driven nature of business with exposure to intense competition.

The stable outlook reflects expected stable business performance of the company underpinned by its experienced promoters and Government's focus on improving infrastructure which will aid the business growth.

Key Rating Sensitivities:

Upward Factors

- Growth in scale of operations with improvement in total operating income and/or improvement in profitability on a sustained basis



Press Release

- Sustenance of the capital structure with improvement in debt protection metrics and consequent improvement in liquidity.

Downward Factors

- Dip in the revenue and/or profitability impacting the gross cash accruals on a sustained basis
- Moderation in the capital structure with moderation in the overall gearing to above 1x along with deterioration in debt protection parameters
- Moderation in liquidity position marked by moderation in operating cycle

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters**

The promoters have more than fifteen years of experience in the field of civil construction services for the Government of Odisha. Benefits derived from the promoters' experience along with their strong understanding of construction industry and healthy relationship with customers and suppliers is expected to continue and support the business. The company is being also supported by team of experienced and qualified professionals.

- **Proven project execution capability**

Over the past years, BCBCPL has successfully completed many projects across the state of Odisha and ensured timely completion of all its projects. The repeat orders received from the Government Departments validate its construction capabilities.

- **Healthy business performance with growth in scale of operation**

The company's total operating income (TOI) stood at Rs.320.00 in FY24 [FY refers to the period from April 1 to March 31] registering a y-o-y growth of ~16% underpinned by inflow of new orders coupled with timely execution of orders during the year. The EBITDA margin and PAT margin continues to remain satisfactory at 8.18% and 5.02% respectively in FY24. Moreover, driven by rise in absolute profits, gross cash accruals of the company also improved from Rs.14.65 crore in FY23 to Rs. 16.95 crore in FY24. The company has estimated to achieve a TOI of ~Rs.347 crore in FY25.

- **Comfortable financial risk profile marked by healthy capital structure and satisfactory debt protection metrics**



Press Release

The financial risk profile of the company continues to remain comfortable marked by its healthy debt protection metrics and comfortable capital structure marked by satisfactory leverage ratios. The Tangible Net Worth of the company adjusted for long pending debtors stood at Rs.71.92 crore. The long-term debt equity ratio and overall gearing ratio on adjusted TNW remained comfortable at 0.04x and 0.29x respectively as on March 31, 2024 (0.08x and 0.41x respectively as on March 31, 2023). The improvement in overall gearing is driven by decline in total debt and accretion of profit to reserves. Total indebtedness of the company marked by Total Outside Liabilities/ Tangible Net worth, also stood comfortable at 2.61x as on March 31, 2024 (2.13x as on March 31, 2023). The interest coverage ratio remained satisfactory at 5.33x in FY24 (5.72x in FY23) in FY23. The total debt by NCA stood comfortable at 1.22 years in FY24 and 1.57 years in FY23. Total debt to EBITDA also remained comfortable at 0.79x as on March 31, 2024 (1.01x as on March 31, 2023). The gearing ratios and debt protection metrics are estimated to improve further in FY25 with an interest coverage ratio of over 6x.

- **Reputed clientele albeit customer concentration**

BCBCPL mainly bids for tenders floated by the Odisha Government departments/entities and is mainly engaged in civil construction. However, top five customers contributing ~51% of revenue in FY25, indicating a moderate concentrated customer profile. Though customers being government departments imparts comfort with low counterparty risk.

- **Satisfactory order book size reflecting satisfactory medium-term revenue visibility**

BCBCPL has an unexecuted order book of Rs.936.06 crore as on March 31, 2025, which is executable in upcoming next 36 months and is 2.93 times of FY24 revenue and 2.69 times of FY25 revenue which provides healthy revenue visibility over short to medium term.

Key Rating Weaknesses

- **Exposure to geographical and sectorial concentration risk**

The present order book is majorly skewed towards civil construction in the State of Odisha from various government departments indicating a geographical and sectorial concentration risk. However, the company has adequate experience to execute projects in the Odisha which provides a comfort.

- **Susceptibility of operating margin to volatile input prices**

Major raw materials used in civil construction activities are stone, asphalt/bitumen and sand which are usually sourced from large players/dealers at proximate distances. The raw material & labour cost forms the majority chunk of the total cost of sales in this industry. As the raw material prices & labour cost are volatile in nature, the profitability of the company is subject



Press Release

to fluctuation in raw material prices & labour cost. However, presences of escalation clause (for raw materials) in most of the contracts protect the margin to an extent.

- **Tender driven nature of business with highly competitive intensity**

The company participates in the tender passed by the government for civil construction related projects. Hence, the entire business prospects are highly dependent on the government. The business volume remains high in the years when there are government tenders and vice versa. The construction industry is highly fragmented in nature with presence of large number of unorganized players and a few large, organized players.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

Liquidity – Adequate

The liquidity position of the company is expected to remain adequate in the near term marked by its expected adequate gross cash accruals in the range of ~Rs.20 to ~Rs.30 crore as against its debt repayment obligations in the range of ~Rs.0.75 to ~Rs.1.15 crore during FY25-FY27. Further, on the back of its satisfactory capital structure, the company has adequate gearing headroom. The current ratio also stood comfortable at 1.19x as on March 31, 2024. Further, the average fund based working capital utilisation remained moderate at ~85% during the past 12 month's period ended February 2025, which imparts comfortable liquidity buffer.

About the Company

BC Bhuyan Constructions Private Limited (BCBCPL) was initially founded as a partnership firm in the year 1971 under the name of BC Bhuyan Constructions by Mr. B C Bhuyan. Subsequently in 2007 the partnership firm was converted into a private limited company and is currently managed by Mr. Pradeep Kumar Bhuyan and Mr. Pramod Kumar Bhuyan. BCBCPL specializes in infrastructure segment including construction of bridges and buildings in various districts of Odisha. The company has executed projects for various government entities including Odisha Industrial Infrastructure Development Corporation (IDCO), Central



Press Release

Public Works Department (CPWD), Odisha Water Supply and Sewerage Board (OWSSB) and East Coast Railway.

Financials (Standalone):

| (Rs. Crore) | | |
|-----------------------------|------------|------------|
| For the year ended / As on* | 31-03-2023 | 31-03-2024 |
| | Audited | Audited |
| Total Operating Income | 276.22 | 320.00 |
| EBITDA | 22.67 | 26.17 |
| PAT | 13.83 | 16.17 |
| Total Debt | 22.98 | 20.65 |
| Tangible Net worth | 58.87 | 75.04 |
| Adjusted Tangible Net worth | 56.66 | 71.92 |
| EBITDA Margin (%) | 8.21 | 8.18 |
| PAT Margin (%) | 4.98 | 5.02 |
| Overall Gearing Ratio | 0.41 | 0.29 |
| Interest Coverage (x) | 5.72 | 5.33 |

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: The ratings of BC Bhuyan Constructions Private Limited continue to remain under Issuer Not Cooperating category by India Ratings, Acuite Ratings and CRISIL Ratings vide Press Releases dated July 14, 2024, February 20, 2024 and April 14, 2025 respectively due to unavailability of information.

Any other information: Nil

Rating History for last three years:

| Sr. No. | Name of Security/Facilities | Current Ratings (Year 2025-26) | | | Rating History for the past 3 years | | |
|---------|-----------------------------|--------------------------------|--------------------------------|-----------------|---|---|---|
| | | Type | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in 2022-23 |
| | | | | | - | February 08, 2024 | - |
| 1. | Term Loan | Long Term | 2.00 | IVR BBB; Stable | - | IVR BBB; Stable | - |
| 2. | GECL | Long Term | 0.99 | IVR BBB; Stable | - | IVR BBB; Stable | - |
| 3. | Cash Credit | Long Term | 31.00 | IVR BBB; Stable | - | IVR BBB; Stable | - |
| 4. | Bank Guarantee | Short Term | 93.00 | IVR A3+ | - | IVR A3+ | - |



Press Release

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About Infomerics:

Infomerics Valuation and Rating Ltd (Formerly Infomerics Valuation & Rating Pvt. 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).

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Press Release

Annexure 1: Instrument/Facility Details

| Name of Facility/ /Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|--------------------------------|------|---------------------|---------------------|------------------|------------------------------------|-----------------------------|
| Term Loan | - | - | - | May'33 | 2.00 | IVR BBB; Stable |
| GECL | - | - | - | Sept' 2026 | 0.99 | IVR BBB; Stable |
| Cash Credit | - | - | - | - | 31.00 | IVR BBB; Stable |
| Bank Guarantee | - | - | - | - | 93.00 | IVR A3+ |

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-BCBCPL-apr25.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.