

Feedback Infra Private Limited

April 05, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	273.41	CARE D (Single D)	Reaffirmed
Long Term / Short Term Bank Facilities	239.00	CARE D / CARE D (Single D / Single D)	Reaffirmed
Short Term Bank Facilities	22.59	CARE D (Single D)	Reaffirmed
Total Bank Facilities	535.00 (Rs. Five Hundred Thirty-Five Crore Only)		
Compulsorily Convertible Debentures	50.00	CARE D (Single D)	Reaffirmed
Non Convertible Debentures	30.00	CARE D (Single D)	Reaffirmed
Total Long Term Instruments	80.00 (Rs. Eighty Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The reaffirmation of ratings assigned to the bank facilities and instruments of Feedback Infra Private Limited (FIPL) continue to factor in ongoing delays in servicing of debt obligations by the company due to its weak financial performance and poor liquidity position.

Rating Sensitivities

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Timely servicing of debt obligations for more than three months.

Detailed description of the key rating drivers

Key Rating Weaknesses

Weak financial performance and poor liquidity position

The liquidity position of the company continues to remain poor on account of weak financial performance, leading to ongoing delays in debt servicing. On a consolidated level, total operating income of the company declined by ~38% in FY21 to Rs.661.14 crore. Company reported negative PBILDT of Rs.27.83 crore as against positive PBILDT of Rs.173.84 crore in FY20. The net loss widened to Rs.383.09 crore in FY21 as against net loss of Rs.246.26 crore in FY20. Company is in discussion with lenders for the debt resolution options for the entire debt of FIPL and FEDCO with options of OTS or revised debt restructuring proposal.

Key Rating Strength

Experienced management team and long track record of operations

The founder promoters own 41.16% of FIPL through investment vehicle, Missions Holdings Private Limited and remaining ownership lies with banks and financial institutions. The board members include persons having vast experience in the field of infrastructure management and advisory. Feedback Infra Group is in the business of engineering consultancy, design, project supervision and management consultancy for more than 25 years. The group is diversified in infrastructure sector with core presence in transportation, energy, real estate & social infra.

Liquidity: Poor

The liquidity profile of the company remained poor as reflected by delay in servicing of debt obligations. Company has reported negative GCA in FY20 & FY21. The current ratio of the company also remained low at 0.49x as on March 31, 2021 (PY: 1.02x).

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Analytical approach: Consolidated. CARE has considered consolidated financials of FIPL, its subsidiaries and associate companies. The list of group companies considered for consolidated financial statements for FY21 are as under:

S. No.	Name of the subsidiary	Country incorporation	% of holding of FIPL
1.	Feedback Power Operations & Maintenance Services Private Limited	India	100%
2.	Feedback Highways OMT Private Limited	India	100%
3.	Feedback Infrastructure Services Nepal Limited	Nepal	51%
4.	Feedback Energy Distribution Company Limited	India	100%
5.	PT Feedback Infra	Indonesia	95%
6.	Feedback Ventures and Ghosh Bose Associates Private Limited	India	51%
7.	Dubai Consultants	Dubai	49%
8.	DC Infra Services LLP	India	99%
9.	India Infrastructure Initiative Trust	India	99.98%
10.	Feedback Atcon Joint Operation	India	51%

Applicable Criteria

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Rating methodology-Infrastructure Sector Ratings](#)

[Rating methodology-Consolidation](#)

About the Company

Feedback Infra Group, established in 1990, is an integrated infrastructure services provider offering design and engineering consultancy, project management, operations & management as well as asset improvement services. The group is providing services in various infrastructure segments, viz, transportation (highways, metro projects etc), energy, real estate and social infrastructure. While commencing its operations in 1990 through FIPL in the infrastructure services business, over the years, the group entered into the operations and maintenance business for power plants and highways and energy distribution business. FIPL continues to provide advisory, construction management and engineering services and is the holding entity for companies that are into the business for operations & management, power distribution as well as entities for the international business in infrastructure sector. FIPL's shareholding includes banks and financial institutions, apart from the founder promoters' investment through Missions Holdings Private Limited. FIPL's wholly owned subsidiary FEDCO is operating distribution franchisee business at four divisions in Meghalaya, four divisions in Tripura and executes projects pertaining to Network Roll out Implementation (NRI).

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22
Total operating income	1065.52	661.14	NA
PBILDT	173.84	-27.83	NA
PAT	-246.26	-383.09	NA
Overall gearing (times)	-18.54	-2.56	NA
Interest coverage (times)	1.41	-0.21	NA

A: Audited, NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - LT/ ST-BG/LC		-	-	-	239.00	CARE D / CARE D
Fund-based-Working capital facilities		-	-	-	135.00	CARE D
Fund-based - LT-Term Loan		-	-	June, 2023	138.41	CARE D
Fund-based - ST-Working Capital Limits		-	-	-	22.59	CARE D
Debentures-Compulsorily Convertible Debentures	INE563M08043	June 12, 2017	10.50%	June 11, 2022	50.00	CARE D
Debentures-Non Convertible Debentures	INE563M07011	December 21, 2017	12.75%	December 20, 2022	30.00	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Non-fund-based - LT/ ST-BG/LC	LT/ST*	239.00	CARE D / CARE D	1)CARE D / CARE D (31-May-21) 2)CARE BB / CARE A4 (CWD) (05-Apr-21)	1)CARE BB / CARE A4 (CWD) (06-Nov-20) 2)CARE BBB- / CARE A3 (CWN) (22-Oct-20)	1)CARE BBB+; Stable / CARE A3+ (21-Jan-20)	1)CARE BBB+; Positive / CARE A3+ (04-Oct-18)
2	Fund-based-Working capital facilities	LT	135.00	CARE D	1)CARE D (31-May-21) 2)CARE BB (CWD) (05-Apr-21)	1)CARE BB (CWD) (06-Nov-20) 2)CARE BBB- (CWN) (22-Oct-20)	1)CARE BBB+; Stable (21-Jan-20)	1)CARE BBB+; Positive (04-Oct-18)
3	Fund-based - LT-Term Loan	LT	138.41	CARE D	1)CARE D (31-May-21) 2)CARE BB (CWD) (05-Apr-21)	1)CARE BB (CWD) (06-Nov-20) 2)CARE BBB- (CWN) (22-Oct-20)	1)CARE BBB+; Stable (21-Jan-20)	1)CARE BBB+; Positive (04-Oct-18)
4	Fund-based - ST-Working Capital Limits	ST	22.59	CARE D	1)CARE D (31-May-21) 2)CARE A4 (CWD) (05-Apr-21)	1)CARE A4 (CWD) (06-Nov-20) 2)CARE A3 (CWN) (22-Oct-20)	1)CARE A3+ (21-Jan-20)	1)CARE A3+ (04-Oct-18)
5	Debentures-Compulsorily Convertible Debentures	LT	50.00	CARE D	1)CARE D (31-May-21) 2)CARE D (05-Apr-21)	1)CARE BB (CWD) (06-Nov-20) 2)CARE BBB- (CWN) (22-Oct-20)	1)CARE BBB+; Stable (21-Jan-20)	1)CARE BBB+; Positive (04-Oct-18)
6	Debentures-Non Convertible	LT	30.00	CARE D	1)CARE D (31-May-21)	1)CARE D (06-Nov-20)	1)CARE BBB+;	1)CARE BBB+;

	Debentures				2)CARE D (05-Apr-21)	2)CARE BBB- (CWN) (22-Oct-20)	Stable (21-Jan-20)	Positive (04-Oct-18)
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* Long Term / Short Term

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

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Debentures-Compulsorily Convertible Debentures	Complex
2	Debentures-Non Convertible Debentures	Simple
3	Fund-based - LT-Term Loan	Simple
4	Fund-based - ST-Working Capital Limits	Simple
5	Fund-based-Working capital facilities	Simple
6	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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