

Bharat Electrical Contractors and Manufacturers Private Limited

March 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	19.07	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	31.68	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	99.25	CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has been seeking information from Bharat Electrical Contractors and Manufacturers Private Limited (BECMPL) to monitor the rating vide e-mail communications dated March 11, 2025; March 04, 2025, January 28, 2025, January 16, 2025, among others and numerous phone calls. However, despite repeated requests, BECMPL has not provided requisite information for monitoring ratings.

In line with the extant SEBI guidelines, CARE Ratings has reviewed ratings based on best available information, which in CARE Ratings' opinion is not sufficient to arrive at a fair rating. Ratings on BECMPL's bank facilities will now be denoted as CARE BB+; Stable/ CARE A4+; ISSUER NOT COOPERATING*

Users of this rating (including investors, lenders and public at large) are hence requested to exercise caution while using above rating(s).

The ratings assigned to the bank facilities of BECMPL are constrained on account of moderate scale of operations, working capital-intensive operations, presence in a highly competitive electrical engineering, procurement and construction (EPC) business segment and exposure to tender-driven process.

However, ratings continue deriving strength from experienced promoters with established track record in the electrical component manufacturing and EPC businesses and comfortable capital structure.

Analytical approach: Standalone

Outlook: Stable

The stable outlook indicates that BECMPL will continue benefitting from the extensive industry experience of its promoters and management.

Detailed description of key rating drivers:

At the time of last rating on April 30, 2024, the following were rating strengths and weaknesses

Key weaknesses

Moderate scale of operations

BECMPL's TOI improved from ₹56.58 crore in FY23 to ₹80.34 crore in FY24 but remained moderate.

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

Working capital-intensive operations

The company operates in a working capital-intensive industry, marked by funds blocked in inventory and receivables (including retention money and security deposits). Operating cycle, although improved to 444 days in FY24 compared to 666 days in FY23, remains stretched.

Presence in electrical EPC business segment and exposure to tender-driven process

BECMPL operates in a highly competitive electrical contracting industry with low entry barriers and numerous small and medium-sized players operating at the regional level. The intense competition among existing players may result in BECMPL aggressively bidding for projects, thus impacting its profitability margins.

Key strengths

Improved order book position

As on March 31, 2024, BECMPL had an order book of ₹318.21 crore. In addition to these orders, the company has received a letter of intent (LoI) from Mahatma Phule Renewable Energy and Infrastructure Technology Limited (MAHAPREIT) worth ₹100 crore. The current order book -to-sales ratio stood at 3.96x of the FY24 TOI (excluding value of the LoI).

Comfortable capital structure

The company's capital structure, marked by overall gearing ratio (including letter of credit [LC]-backed creditors and mobilisation advances), was comfortable at 0.50x as on March 31, 2024, as against 0.49x as on March 31, 2023. Total outside liabilities (TOL)/tangible net worth (TNW) also remained comfortable at 0.77x (PY: 0.75x).

Experienced promoters with track record in electrical component manufacturing and EPC businesses

Shantinath Adgonda Patil, Managing Director, is the promoter of BECMPL. He is an engineering graduate with experience of more than three and half decades in the electrical contracting business. BECMPL is currently managed by first- and second-generation entrepreneurs of the Patil family based out of Sangli, Maharashtra. The company's long industry presence has helped promoters gain adequate acumen about the business.

Liquidity: Stretched

The company's liquidity position remains stretched with low free cash and bank balance as on March 31, 2024. BECMPL is expected to generate gross cash accruals (GCA) of ₹4-4.50 crore in FY25 as against repayment obligations of ₹0.90 crore. Promoters have infused funds through unsecured loans (USL) when needed. USL as on March 31, 2024, was ₹3.15 crore. The average utilisation of fund-based cash credit (CC) limit was 59.43% in last 12 months ended February 29, 2024. The unutilised portion of CC provides additional cushion.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

BECMPL was incorporated in October 2005, as a private limited company by Mr Shantinath Adgonda Patil (Managing Director) and is based out of Sangli (Maharashtra). Mr. Shantinath A. Patil, Managing Director (MD), is an engineering graduate and has experience of three and half decades in the field of electrical contracting business. Prior to BECMPL, he was associated with Bharat

Metal Works (established in the year 1985) and was merged with BECMPL during 2007. BECMPL is a registered class 'IA' electrical contractor with Public Works Department (PWD) of Maharashtra. Primarily the company is engaged in the business of undertaking turnkey projects involving construction, erection and commissioning of electrical installations of High Tension / Low Tension lines, & Sub-stations. Further, company has manufacturing facility located at MIDC Sangli, Maharashtra. Also, the company is engaged in the trading of electrical components.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	56.58	80.40
PBILDT	7.21	9.19
PAT	1.15	2.28
Overall gearing (times)	0.49	0.06
Interest coverage (times)	1.28	1.47

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	18.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	30-09-2024	1.07	CARE BB+; Stable; ISSUER NOT COOPERATING*
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	31.68	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	74.25	CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	25.00	CARE A4+; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	18.00	CARE BB+; Stable; ISSUER NOT COOPERATING *	1)CARE BB+; Stable (30-Apr-24)	1)CARE BB; Stable; ISSUER NOT COOPERATING * (08-Jan-24)	1)CARE BB+; Negative (15-Nov-22) 2)CARE BBB-; Negative (06-Apr-22)	-
2	Non-fund-based - ST-Letter of credit	ST	25.00	CARE A4+; ISSUER NOT COOPERATING *	1)CARE A4+ (30-Apr-24)	1)CARE A4; ISSUER NOT COOPERATING * (08-Jan-24)	1)CARE A4+ (15-Nov-22) 2)CARE A3 (06-Apr-22)	-
3	Non-fund-based - ST-Bank Guarantee	ST	74.25	CARE A4+; ISSUER NOT COOPERATING *	1)CARE A4+ (30-Apr-24)	1)CARE A4; ISSUER NOT COOPERATING * (08-Jan-24)	1)CARE A4+ (15-Nov-22) 2)CARE A3 (06-Apr-22)	-
4	Fund-based - LT-Term Loan	LT	1.07	CARE BB+; Stable; ISSUER NOT COOPERATING *	1)CARE BB+; Stable (30-Apr-24)	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING * (08-Jan-24)	1)CARE BB+; Negative / CARE A4+ (15-Nov-22) 2)CARE BBB-; Negative / CARE A3 (06-Apr-22)	-

5	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	31.68	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING *	1)CARE BB+; Stable / CARE A4+ (30-Apr-24)	-	-	-
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*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
4	Non-fund-based - ST-Bank Guarantee	Simple
5	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

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

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

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About us:

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