

Bahra Educational and Charitable Society

March 24, 2022

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	25.00	CARE D (Single D)	Reaffirmed
Total Facilities	25.00 (Rs. Twenty-Five Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facility of Bahra Educational and Charitable Society (BECS) factors in the ongoing delays in the servicing of the debt obligation.

Rating Sensitivities

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

- Timely track record of debt servicing by company for more than 3 months.
- Sustainable improvement in operations of the company.

Detailed description of the key rating drivers

Key Rating Weaknesses

Ongoing delays in servicing of debt obligation: The overdraft limit availed by the society has remained overdrawn for more than 30 days owing to its stretched liquidity position.

Liquidity: Poor

The liquidity of the company is poor, leading to delays in debt servicing.

Analytical approach: Standalone

Applicable Criteria:

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology – Education Sector](#)

[Financial ratios – Non-Financial Sector](#)

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

About the Company

Bahra Educational & Charitable Society (BECS) was established in 2009 and has established a Private University in Solan, named Bahra University Shimla. BECS is running one campus having seven colleges located in Solan (operational from 2009), Himachal Pradesh. The Society was established by Mr. Gurvinder Singh Bahra (Chairman) with an objective to provide education in the field of engineering and technology, management and pharmacy. The different courses offered are duly approved by HP-PERC (Himachal Pradesh Private Educational Institutions Regulatory Commission) and UGC (University Grants Commission).

Brief Financials

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (UA)
Total operating income	13.07	6.36	-
PBILDT	4.46	1.19	-
PAT	-1.04	-5.42	-
Overall gearing (times)	2.41	3.13	-
Interest coverage (times)	1.19	0.24	-

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
Fund-based - LT-Working Capital Limits		-	-	-	25.00	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	Fund-based - LT-Working Capital Limits	LT	25.00	CARE D	-	1)CARE D (07-Jan-21)	1)CARE D (04-Dec-19) 2)CARE D; ISSUER NOT COOPERATING* (10-Apr-19)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (27-Mar-19)

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	Fund-based - LT-Working Capital Limits	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 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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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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