June 30, 2025

BRC Infra Pvt. Ltd.: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term-Fund Based-Overdraft	6.00	6.00	[ICRA]BB(Stable); reaffirmed
Total	6.00	6.00	

**Instrument details are provided in Annexure I*

Rationale

The rating reaffirmation for BRC Infra Pvt. Ltd. (BRC) factors in the near completion stage, healthy sales and collection of the ongoing major project, Hemadurga Sivahills (Sivahills), in Puppalaguda, Hyderabad, for which the committed receivables stood at Rs. 11 crore as of March 31, 2025. By the end of FY2025, the project sold 481 flats out of its share of 500 flats and expects to sell the remaining flats in FY2026. BRC's cash flow cover (committed receivables/ [pending cost + debt outstanding]) stood healthy at 127% as on March 31, 2025. ICRA notes the favourable location of the Sivahills project which is near information technology (IT) companies located in Gachibowli, Financial District and Hitech City, enhancing the marketability of the same. The company has also started a new project at Shadnagar, named Hemadurga NAVA, which has 30 flats and the builder's share is 17 flats. The project is expected to be completed by March 31, 2026 and the cash flows are likely to start from FY2026. The rating further draws comfort from another project, which is currently under approval stage, where the company will be selling plots expectedly from September 2025, which provides additional revenue visibility in the near-to-medium term. ICRA further notes the extensive experience of the promoters spanning more than two decades in the real estate industry. The Group has cumulatively developed 1.0-1.5 million square feet (msf) of residential space over the last 15 years.

The rating is, however, constrained by the company's small scale of operations and low revenue visibility as all the new projects are of small quantum unlike the major project of Sivahills, which is nearing completion. The rating is further constrained by the high geographical concentration risk as the ongoing projects are limited to Hyderabad. Being a cyclical industry, the real estate business is highly dependent on macro-economic factors, which expose the company's sales to any downturn in real estate demand.

The Stable outlook on the [ICRA]BB rating reflects ICRA's opinion that BRC will benefit from the favourable location of its ongoing SivaHills and NAVA projects.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in real estate industry – BRC is promoted by Mr. Ramesh Bandi and his relatives, who have two decades of experience in real estate development in the Hyderabad market. The promoter group has developed 1.0-1.5 msf of real estate space in Hyderabad.

Healthy cash flow cover and favourable location of ongoing project – The SivaHills project is located in Puppalaguda, Hyderabad, which is near IT companies located in Gachibowli, Financial District and Hitech City, enhancing the marketability of the project. As on March 31, 2025, the company has sold 481 flats out of its share of 500 flats and expects to sell the remaining flats in FY2026. Its cash flow cover (committed receivables/ (pending cost + debt outstanding)) stood healthy at 127% in FY2025.

Credit challenges

Small scale of operations; no major upcoming launches – The rating is, however, constrained by BRC's small scale of operations. Once the ongoing major project is completed, where the pending cost stands at Rs. 3-4 crore, the company does not have any other bigger project in the pipeline, except two new projects with relatively lower sales value.

Exposed to geographical concentration risk and cyclicality in real estate industry – The company is exposed to high geographical concentration risk as the projects are limited to Hyderabad. The real estate sector is cyclical and marked by volatile prices and a highly fragmented market structure because of a large number of regional players. In addition, being a cyclical industry, the real estate sector is highly dependent on macro-economic factors, which expose BRC's sales to any downturn in demand and competition within the region from various established players.

Liquidity position: Adequate

The company's liquidity position is adequate, aided by free cash balance of Rs. 4.48 crore as on May 31, 2025. The company has limited capex plans and has scheduled debt repayment of Rs. 4-5 crore per year in FY2026 and FY2027, which are expected to be serviced comfortably from the company's internal accruals.

Rating sensitivities

Positive factors – The rating may be upgraded in case of a significant increase in the company's scale of operations, while maintaining adequate leverage and debt coverage metrics on a sustained basis.

Negative factors – The rating may be downgraded if there is a material delay in receipt of pending collections or any significant increase in debt or sizeable investment in any new project, impacting its debt coverage metrics and liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the company's standalone financial statements

About the company

BRC Infra Pvt. Ltd. (BRC) was incorporated as CRK Infrastructure Developers Pvt. Ltd. (CRK) in July 2007. CRK was taken over by BRC promoters, Mr. Ramesh Bandi and his relatives. In 2011, the name was changed to BRC Infra Pvt. Ltd. At present, it is executing one big project called BRC Sree Hemadurga SivaHills, which is a gated community spread over 7.74 acres of land. The land was taken under the joint development agreement (JDA) for construction of 774 flats (seven blocks with three blocks having 120 flats each and four blocks having 96 flats each), in which the company's share is 500 flats (67%). It is also developing another project called Sree Hemadurga NAVA at Shadnagar on JDA model. The total construction area is 34,750 sq. ft. (30 flats), of which the company will have a share of 19,695 sq. ft. (17 flats).The company has availed Rs. 3.2 crore cash credit for this project. The sales of this project will commence from FY2026. Besides, the company will launch a project in Burugula, where it will sell 157 plots and are awaiting certain regulatory approvals. The sales in this project is expected to commence from FY2027.

Key financial indicators (audited)

Standalone	FY2023	FY2024
Operating income	70.9	64.2
PAT	10.7	9.5
OPBDIT/OI	21.4%	20.8%
PAT/OI	15.1%	14.8%
Total outside liabilities/Tangible net worth (times)	0.9	0.5
Total debt/OPBDIT (times)	0.4	0.4
Interest coverage (times)	20.6	32.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years		
		Type	Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
				June 30, 2024	Mar 26, 2024	Dec 23, 2022	Sep 17, 2021
1	**Overdraft**	Long-term	6.00	**[ICRA]BB (Stable)**	**[ICRA]BB (Stable)**	**[ICRA]BB (Stable)**	**[ICRA]BB (Stable)**

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund-based – Overdraft	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Overdraft**	NA	NA	NA	6.00	[ICRA]BB (Stable)

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Jitin Makkar
+91 124-4545368
jitinm@icraindia.com

Nishant Misra
+91 124-4545862
nishant.misra@icraindia.com

Vishal Balabhadruni
+91 40 69396464
vishal.balabhadruni@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Ahmedabad
+91 79 4027 1500/501

Mumbai
+91 22 6169 3300

Pune
+91 20 2556 1194

Bangalore
+91 80 4332 6400/4922 5500

Kolkata
+91 33 6521 6800

Hyderabad
+91 40 6939 6464

Chennai
+91 44 4596 4300

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.