



Press Release

The Baroda Rayon Corporation Limited

September 02, 2025

Rating

Security Facility /	Amount (Rs. crore)	Current Rating	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	175.00 (Enhanced from Rs.75 crore)	IVR BB-/ Stable (IVR Double B Minus with Stable outlook)	IVR BB-/ Stable (IVR Double B Minus with Stable outlook)	Rating Reaffirmed	Simple
Total	175.00 (Rupees One Hundred and Seventy-five crore 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 of the rating assigned to the bank facilities of The Baroda Rayon Corporation Limited (TBRCL) continues to derive comfort from its experienced promoters and in place necessary approvals for all ongoing projects. The rating also continues to consider satisfactory progress and favourable location of ongoing projects. However, these rating strengths are partially offset by the company's exposure to geographical concentration risk, exposure to risks relating to cyclical in real estate industry and uncertainty related to dues towards employees and statutory authorities.

The stable outlook reflects that the company is expected to maintain a stable business performance backed by extensive support from the promoters with achievement of expected sales.

Key Rating Sensitivities:

Upward Factors

- Timely completion of project without any time or cost overrun.
- Increase in bookings for the launched projects with timely receipt of customer advances.

Downward Factors

- Lower-than-expected collections leading to cash flow mismatch.
- Any delay in project completion leading to time or cost overrun.



Press Release

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters

Mr. Damodarbai Patel, current chairman and the managing director of the company has over 35 years of experience in the real estate industry. He is ably assisted by Mr. Viral Bhavani and Mrs. Vidhya Bhavani, both have experience of more than a decade in real estate business. The promoters of the company have wide experience in real estate in Surat Region, which will help the company to ramp up operations quickly.

Necessary approvals for all ongoing projects in place

TBRCL started developing land at Udhna in Surat City under Surat Textile Bourse Phase-I (Part-A) and (Part-B) and started selling industrial units in Project STB-Phase-1 - Part A and PART B as well as industrial house plots under Shree Laxminarayan Industrial Park- Z Row in a phased manner. The company have received necessary approvals for all of its ongoing projects, mitigating the regulatory risks to a large extent.

Satisfactory progress in ongoing projects

The total estimated cost to construct Surat Textile Bourse Phase-I (Part-A), is Rs.344.83 crore which is to be funded through promoter's contribution/ internal accruals of Rs.219.83 crore, debt of Rs.75.00 crore (financial closure achieved) and the balance through customer advances. As on May 30, 2025, the company has already incurred Rs.249.30 crore (~72.30% of total project cost) towards the project, which was funded through a mix of promoter's contribution of Rs.104.21 crore, debt of Rs.63.64 crore and customer advances of Rs.81.45 crore. TBRCL has already sold 188 units out of the total 323 units.

The total estimated cost to construct Surat Textile Bourse Phase-I (Part-B), is Rs.185.35 crore which is to be funded through promoter's contribution/ internal accruals of Rs.24.00 crore, unsecured loan of Rs. 28.35 crore, debt of Rs.100.00 (financial closure achieved) and the balance through customer advances. As on May 30, 2025, the company has already incurred Rs.53.78 crore (~29.02% of total project cost) towards the project, which was funded through a mix of promoter's contribution of Rs.24.00 crore, unsecured loan of Rs. 28.35 crore and customer advances of Rs.1.43 crore. TBRCL has already sold 16 units out of the total constructed 44 units.

However, the construction progress and level of response received for the textile land development would remain a key rating monitorable, going forward.



Press Release

Favourable location of the project

The ongoing projects, “Surat Textile Bourse Phase-I (Part A)” and “Surat Textile Bourse Phase-I (Part B)” are located in prime location in Surat city. The projects are equipped with amenities like Designer entry gate with security cabin, Landscaping in open space, Storm water system, Fire station, RCC road etc. The location is easily approachable from prominent textile markets in the vicinity like Ring Road and Saroli. The property is conveniently located nearby to amenities such as residential area and many dying and processing houses nearby.

Key Rating Weaknesses

Exposure to geographical concentration risk

Since all the company’s projects are being executed in Surat, it is exposed to geographical concentration risk. Fortunes of the projects therefore will depend on the overall market sentiment in the region.

Exposure to risks relating to cyclicity in real estate industry

Cyclicity in the real estate segment could lead to fluctuations in cash inflow because of volatility in realization and saleability. This may affect the debt servicing ability of the company. TBRCL will remain susceptible to the inherent cyclicity in the real estate sector. Moreover, since the project is targeting Textile sector, the industry outlook for the textile sector is also a key rating monitorable.

Uncertainty related to dues towards employees and statutory authorities

The company has to pay dues towards its employees and statutory dues to government authorities. Besides earlier disputes regarding payment of interest on unsecured loans from various investors has been resolved and the company has also reached an agreement with the lenders to settle the amount of the loan outstanding in the current financial year. Timely settlement of all the dues is a key monitorable.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Real Estate Entities](#)

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Criteria on complexity](#)



Press Release

Liquidity – Adequate

The company's reliance on debt on Surat Textile Bourse Phase-I (Part-A) and Surat Textile Bourse Phase-I (Part-B) projects are ~33% of the total estimated cost, the balance being funded through promoters' contribution including unsecured loans and customer advances. The scheduled repayments for loan taken for Surat Textile Bourse Phase-I (Part-A) is started from April 2025 and Surat Textile Bourse Phase-I (Part-B) will start from April 2028. Considering the modest advances for the ongoing projects and any delay in the construction leading to cost overruns can affect the term debt repayment putting pressure on liquidity. Current ratio stood healthy at 3.90 times as on March 31, 2025.

About the Company

The Baroda Rayon Corporation Limited (TBRCL) was incorporated in 1958 by Gaekwad Chinai and started manufacturing of viscose filament yarn i.e., rayon yarn from 1962. However, the company became non-operational since August 2008. Mr. Damodarbai B. Patel has taken over the company with the intention to monetize the land bank of the company through Real Estate projects. The company is presently engaged in real estate activities. Thereafter, Mr. Damodarbai Patel and Group purchased shares of The Baroda Rayon Corporation Limited in the year 2022-23. Mr Damodar Patel is the current chairman & managing director of the company. TBRCL is listed in Bombay Stock Exchange (BSE).

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	76.83	99.60
EBITDA	9.30	27.04
PAT	34.22	40.35
Total Debt	211.40	195.74
Tangible Net Worth	331.96	372.31
EBITDA Margin (%)	12.10	27.15
PAT Margin (%)	39.90	39.28
Overall Gearing Ratio (x)	0.64	0.53
Interest Coverage (x)	3.45	29.41

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



Press Release

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	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
					Feb 25, 2025	-	-
1.	Term Loan	Long Term	175.00	IVR BB-/ Stable	IVR BB-/ Stable	-	-

Analytical Contacts:

Name: Nidhi Sukhani

Tel: (033) 46022266

Email: nsukhani@infomerics.com

Name: Avik Podder

Tel: (033) 46022266

Email: apodder@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for



Press Release

any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

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	-	-	-	-	175.00	IVR BB-/ Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-BarodaRayon-sep25.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.