

Baid Leasing and Finance Co. Limited

Brickwork Ratings assigns ‘BWR BBB/Stable’ to the additional fund based Term Loan/ Working Capital (WC) facilities and reaffirms ratings at ‘BWR BBB/Stable’ for the existing Term Loan/ WC Facilities of Baid Leasing and Finance Co. Limited

Particulars

Facilities / Instrument**	Amount (Rs. Crs.)		Tenure	Rating*	
	Previous	Present		Previous (Sep 06, 2021)	Present
Fund based Term Loan and WC Facilities	160.00	160.00	Long Term	BWR BBB/ Stable (Reaffirmed)	BWR BBB/ Stable (Reaffirmed)
Additional Fund based Term Loan and WC Facilities	0.00	20.00		-	BWR BBB/ Stable (Assigned)
Total	160.00	180.00	Rs. One Hundred Eighty Crore Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities is provided in Annexures-I

RATING ACTION / OUTLOOK

Brickwork Rating (BWR) assigns ratings to the fresh fund based term loans/WC facilities and Reaffirms existing ratings at BWR BBB/Stable for Baid Leasing and Finance Co. Limited (BLFCL or the company).

The ratings continue to derive its strength from the experienced promoters and management team along with slight improvements in delinquencies of the portfolio and recent funds tie ups. However, the ratings are constrained by small scale of operations and the Geographical concentration of the entire AUM being concentrated in the state of Rajasthan at the end of Sep 21.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED:

Bank Loans: As per sanction letters of the respective lenders

KEY RATING DRIVERS

Credit Strengths:-

- **Experienced promoters and management team:** BLFCL has been founded by Mr. Panna Lal Baid who is the present Chairman and Managing Director (MD) of the company. He has more than 50 years expertise in diversified sectors and more particularly in the core finance sector. Mr. Aman Baid is actively involved in the



management of the company as a Whole time Director. The company's board also consists of three Independent Directors. The management is supported by qualified and experienced professionals.

- **Recent Fundraising:** The company has been able to get fresh sanctions/ term sheets of around Rs.50 Crs during the period September 2021 to November 2021 from various FIs. This is expected to improve the company's liquidity position and revamp its disbursements.

Credit Risks:-

- **Degrowth in Loan Book and steady asset quality:** The loan portfolio of the company has continued to degrow during FY 21 as well as during Q2 of FY22. Loan portfolio has reduced to Rs.235.61 Crs as at end of September 2021 from Rs.249.05 Crs as at the end of March 2021 (FY20: Rs.267.95 Crs). The decline in loan book is due to reduction in disbursements on account of the cautious stance adopted by the Company as well as fundraising challenges faced by the Company, as is the case with many small/ medium NBFCs given the current uncertain environment. Total disbursements made during the half year ended 30.09.2021 was Rs.16.56 Crs (FY21: Rs.55 Crs). However the disbursements have been improving since October 2021 onwards. Further, the GNPA of the company was 3.75% as on 30.09.2021, increased from 3.51% as at the end of FY21 though marginally improved from 3.80% as on 30.06.21. However, NNPA has reduced to 1.58% as at the end of September 2021 from 1.74% as at 30.06.21 and 1.64% as at the end of FY21. The company's ability to ramp up its disbursements and consequently scale up its loan book while maintaining the asset quality would be a key monitorable.
- **Geographical concentration:** The company started its business with the state of Rajasthan and its entire portfolio is concentrated in Rajasthan. Over the medium term, the loan book is expected to be largely from Rajasthan.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

BWR has taken a stand alone approach on BLFCL for arriving at the ratings. BWR has applied its rating methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Upward: Significant growth in the AUM, adequate fund raise, improved profitability and stable asset quality, will be rating positives

Downward: Deterioration in the asset quality or earning profile and funding challenges, substantial degrowth in AUM, if any, will be rating negatives

LIQUIDITY INDICATORS - Adequate

As on 31.10.2021, company had total liquidity of Rs.8.83 Crs consisting of the cash/ Bank balance of Rs.3.48 Crs and unutilised CC of Rs.0.35 Crs and undrawn limits of Rs.5 Crore. In addition to the same, collections of Rs 44.90 Crs are scheduled during the period from December 2021 to March 2022 against the debt obligations of Rs.19.53 Crs.

COMPANY'S PROFILE

Baid Leasing and Finance Company Ltd (BLFCL), a non-deposit accepting - NBFC, is a public limited company incorporated on 20 Dec 1991. Company is headquartered in Jaipur, Rajasthan. BLFCL received its NBFC license from RBI on 11 Mar 1998. Company mainly focuses on SME loans including Loan Against Property (LAP) and used vehicle financing in semi urban and rural areas of Rajasthan.

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY20	FY21
Result Type		Audited	Audited
Loan Portfolio	Rs in Crs	267.95	249.04
Revenue from Operations	Rs in Crs	62.59	53.45
Profit After Tax	Rs in Crs	7.61	7.48
Tangible Networkth	Rs in Crs	129.89	137.45
Debt: NW	Times	1.45	1.19
CRAR	%	40.82%	47.43%
GNPA	%	3.44%	3.51%
NNPA	%	1.97%	1.64%

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): NIL

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

Instrument / Facilitates	Current Ratings			Chronology of Rating History for the past 3 years						
	Type	Amount Rated (Rs. Crs)	Ratings	2021	2020		2019			2018
				06/9/21	25/9/20	31/8/20	20/8/19	12/8/19	18/7/19	
Bank Facilities Fund Based	Long Term	180.00	BWR BBB/ Stable	BWR BBB/ Stable	BWR BBB/ Stable	BWR BBB/ Stable	BWR BBB/ Stable	BWR BBB/ Stable	-	-
Commercial Paper	Short Term	Nil	-	Withdrawn	BWR A3	-	-	-	-	-
Cash Credit	Long Term	-	-	-	-	-	-	-	BWR BB+/Stable (Withdrawn)	-

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Banks & Financial Institutions](#)

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Baid Leasing and Finance Co. Ltd.

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)
1	State bank of india	Cash Credit	30.00	0.00	30.00
2	UCO Bank	Cash Credit	15.00	0.00	15.00
3	UCO Bank	Term Loan	0.41	0.00	0.41
4	UCO Bank	Term Loan	3.42	0.00	3.42
5	State bank of india	Term Loan	1.14	0.00	1.14
6	AU Small Finance Bank	Term Loan	5.04	0.00	5.04
7	AU Small Finance Bank	Term Loan	3.64	0.00	3.64
8	IDFC First Bank	Term Loan	10.56	0.00	10.56
9	IDFC First Bank	Term Loan	11.21	0.00	11.21
10	NABARD	Term Loan	10.00	0.00	10.00
11	IndusInd Bank	Term Loan	0.41	0.00	0.41
12	IndusInd Bank	Term Loan	2.35	0.00	2.35
13	AVANSE FINANCIAL SERVICES LTD.	Term Loan	1.98	0.00	1.98
14	Manveeya Development And Finance Pvt. Ltd.	Term Loan	12.00	0.00	12.00
15	MAS FINANCIAL	Term Loan	2.71	0.00	2.71

	SERVICES LTD. (TL-17)				
16	MAS FINANCIAL SERVICES LTD. (TL-18)	Term Loan	2.92	0.00	2.92
17	MAS FINANCIAL SERVICES LTD. (TL-19)	Term Loan	2.40	0.00	2.40
18	MAS FINANCIAL SERVICES LTD. (TL-20)	Term Loan	2.60	0.00	2.60
19	MUTHOOT CAPITAL SERVICES LTD.	Term Loan	3.33	0.00	3.33
20	SHRIRAM CITY UNION FINANCE LTD.	Term Loan	0.30	0.00	0.30
21	SHRIRAM TRANSPORT FINANCE LTD.	Term Loan	11.54	0.00	11.54
22	UGRO CAPITAL LTD.	Term Loan	0.33	0.00	0.33
23	Eclear Leasing and Finance Pvt. Ltd.	Term Loan	8.49	0.00	8.49
24	Moneywise Financial Services Pvt. Ltd.	Term Loan	3.89	0.00	3.89
25	SIDBI	Term Loan	15.00	0.00	15.00
	Total				160.67
	Proposed Term Loans/ WC facilities				19.33
	Total Rated Facilities				180.00

(Rupees One Hundred and Eighty Crores only)

ANNEXURE II

INSTRUMENT (COMMERCIAL PAPERS) DETAILS: N/A

ANNEXURE III

List of entities consolidated: N/A



For print and digital media

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