

March 16, 2023

Rajendra Singh Bhamboo Infra Private Limited: Placed on Rating Watch with Developing Implications

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|--------------------------------------|-------------------------------------|---|
| Long-term – Fund-based – Cash credit | 6.50 | 6.50 | [ICRA]BBB+; Placed on Rating Watch with Developing Implications |
| Long-term/ Short-term – Non-fund based – Bank guarantee | 18.50 | 18.50 | [ICRA]BBB+; Placed on Rating Watch with Developing Implications/ [ICRA]A2; Placed on Rating Watch with Developing Implications |
| Total | 25.00 | 25.00 | |

Rationale

Material event

ICRA has recently come to know that the National Green Tribunal (NGT) imposed penalties of Rs. 55.47 crore on Rajendra Singh Bhamboo Infra Private Limited (RSIBPL) for causing environmental damage by illegally excavating stone, sand and murrum for its projects in the Nashik and Hingoli districts of Maharashtra. Post this, the company has informed that they have filed an appeal before the Supreme Court and the special leave petition (SLP) for stay on penalty is due for hearing in the upcoming week.

Impact of Material Event

ICRA has taken note of the above event and has placed the outstanding ratings on Watch with Developing Implications. The decision on the SLP filed by the company is still pending before the Supreme Court, and hence there is no immediate cash outflow related to the aforementioned penalties in the interim. Nevertheless, the quantum of penalties levied by NGT are sizeable and if the company does not get a stay on the same, there could be adverse impact on RSIBPL's credit profile.

ICRA will continue to monitor the developments and will take appropriate rating action as and when further details are available.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities, key financial indicators: [Click here.](#)

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology Rating Methodology for Construction Entities |
| Parent/Group support | Not Applicable |
| Consolidation/Standalone | Not Applicable |

About the company

Rajendra Singh Bhamboo Infra Private Limited (RSBIPL) is a construction company promoted by Mr. Rajendra Singh Bhamboo and Mr. Rajendra Singh Dangi, who have been associated with the construction sector since 1980. Earlier, the promoters were operating under a partnership firm - M/s Rajendra Singh Bhamboo.

RSBIPL is involved in the business of civil construction, which primarily includes construction of roads and bridges. It had completed multiple projects in Rajasthan and Madhya Pradesh, and is currently executing projects in Maharashtra, Tripura and Assam.

The company is enlisted as "AA" class contractor with Public Works Department (PWD) Government of Rajasthan, Jaipur Development Authority (JDA), Water Resources Department (WRD) Government of Rajasthan and Rajasthan Housing Board (RHB).

Key financial indicators (audited)

| | FY2021 | FY2022 |
|--|--------|--------|
| Operating income (Rs. crore) | 401.7 | 628.3 |
| PAT (Rs. crore) | 18.1 | 37.3 |
| OPBDIT/OI (%) | 10.6% | 11.3% |
| PAT/OI (%) | 4.5% | 5.9% |
| Total outside liabilities/Tangible net worth (times) | 1.7 | 1.5 |
| Total debt/OPBDIT (times) | 1.3 | 0.9 |
| Interest coverage (times) | 4.1 | 6.2 |

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Source: Company data, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| | Instrument | Current rating (FY2023) | | | | | Chronology of rating history for the past 3 years | | |
|---|----------------|-------------------------|--------------------------|--|---|-------------------------------|---|-------------------------|-------------------------|
| | | Type | Amount rated (Rs. crore) | Amount outstanding as on December 31, 2022 (Rs. crore) | Date & rating in FY2023 | | Date & rating in FY2022 | Date & rating in FY2021 | Date & rating in FY2020 |
| | | | | | Mar 16, 2023 | Sep 20, 2022 | | | |
| 1 | Cash credit | Long term | 6.50 | - | [ICRA]BBB+; Placed on Rating Watch with developing implications | [ICRA]BBB+ (Stable) | - | - | - |
| 2 | Bank guarantee | Long term and | 18.50 | - | [ICRA]BBB+; Placed on Rating Watch with Developing Implications / [ICRA]A2; Placed on | [ICRA]BBB+ (Stable)/ [ICRA]A2 | - | - | - |

| | | | | | | | | | |
|--|--|------------|--|--|---|--|--|--|--|
| | | short term | | | Rating Watch with developing implications | | | | |
|--|--|------------|--|--|---|--|--|--|--|

Complexity level of the rated instrument

| Instrument | Complexity Indicator |
|---|----------------------|
| Long-term – Fund-based – Cash credit | Simple |
| Long-term/ Short-term – Non-fund based – Bank guarantee | Very 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 | Cash credit | NA | NA | NA | 6.50 | [ICRA]BBB+; Placed on Rating Watch with Developing Implications |
| NA | Bank guarantee | NA | NA | NA | 18.50 | [ICRA]BBB+; Placed on Rating Watch with Developing Implications / [ICRA]A2; Placed on Rating Watch with Developing Implications |

Source: Company, ICRA

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

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Branches



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