

May 02, 2023

Rajendra Singh Bhamboo Infra Private Limited: Ratings removed from 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+ (Stable); Ratings removed from Watch with Developing Implications
Long-term/ Short-term – Non-fund based – Bank guarantee	18.50	18.50	[ICRA]BBB+ (Stable) /[ICRA]A2; Ratings removed from Watch with Developing Implications
Total	25.00	25.00	

*Instrument details are provided in Annexure I

Rationale

The rating watch on Rajendra Singh Bhamboo Infra Private Limited (RSBIPL) has been removed, as the company had deposited the stipulated amount (Rs. 8.32 crore) on April 11, 2023 with the Supreme Court of India's (SCI) registrar, complying with the stay order and mitigating the uncertainty regarding the sizeable immediate outflow related to the penalty imposed by the National Green Tribunal (NGT) on February 22, 2023. The SCI, vide its order dated March 27, 2023, granted stay on the order passed by NGT, subject to the company depositing 15% of the penalty amount as per NGT's order within four weeks from the date of the SCI stay order. ICRA notes that the company continues to maintain adequate liquidity post depositing of the aforementioned amount with the SCI. ICRA had earlier placed the ratings on Watch with Developing Implications as the materialisation of the penalty imposed by NGT would have adversely impacted the liquidity position of RSBIPL.

Nevertheless, ICRA will continue to monitor the developments in this case and will take appropriate rating action as the outcome of the same. Any negative development on the same thereby impacting the company's liquidity position would remain a key credit monitorable.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: [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	Type	Current rating (FY2024)			Chronology of rating history for the past 3 years			
			Amount rated (Rs. crore)	Amount outstanding as on December 31, 2022 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021
					May 02, 2023	Mar 16, 2023	Sep 20, 2022	-	-
1	Cash credit	Long term	6.50	-	[ICRA]BBB+ (Stable) Ratings removed from Watch with Developing Implications	[ICRA]BBB+; Placed on Rating Watch with Developing Implications	[ICRA]BBB+ (Stable)	-	-
2	Bank guarantee	Long term and short term	18.50	-	[ICRA]BBB+ (Stable)/ [ICRA]A2 Ratings removed from Watch with Developing Implications	[ICRA]BBB+; Placed on Rating Watch with Developing Implications / [ICRA]A2; Placed on Rating Watch with Developing Implications	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-

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+ (Stable); Ratings removed from Watch with Developing Implications
NA	Bank guarantee	NA	NA	NA	18.50	[ICRA]BBB+ (Stable)/ [ICRA]A2; Ratings removed from 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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