

May 29, 2024

Bondada Engineering Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term - Fund based – Cash credit	55.00	55.00	[ICRA] BBB (Stable); withdrawn
Short term – Non-fund based	205.00	205.00	[ICRA]A3+; withdrawn
Total	260.00	260.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Bondada Engineering Limited (formerly known as Bondada Engineering Private Limited) at the request of the company and based on the No Objection Certificate received from the bankers, which is in accordance with ICRA's policy on withdrawal. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key rating drivers, Liquidity position, Rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/Group support	For arriving at the ratings, ICRA has consolidated the financials of SSEL and its subsidiaries Bondada Adobes Private Limited and Smartbrix Infra Technologies Private Limited.
Consolidation/Standalone	The ratings are based on the consolidated financial statements of the company with its subsidiaries - Bondada Adobes Private Limited and Smartbrix Infra Technologies Private Limited.

About the company

BEPL was incorporated in 2012 by Mr. Ragavendar Rao and Mr. B Satyanarayana for carrying out the design and EPC work of telecom towers and providing O&M services to telecom service providers (TSP). In FY2016, the company diversified into the erection of transmission lines and manufacturing of uPVC windows/doors with facilities in Visakhapatnam and Hyderabad. Later, in June 2017, the company set up an AAC block manufacturing plant at Jaggayyapetta, Andhra Pradesh. The AAC blocks are sold under the brand, Smartbrix. However, the business was demerged into Smartbrix Infra Technologies Private Limited for the AAC division and Bondada Adobes Private Limited for the uPVC windows division, effective from April 1, 2021. In April 2018, BEPL ventured into tower manufacturing in Rampally, Medchal district, of Telangana, which includes a tower fabrication division and a galvanising division. In FY2020, the company started solar EPC, where BEPL undertakes system integration services to build solar power projects (rooftop and ground mounted). The company has executed telecom and power projects across 16 states in India.

Key financial indicators (Audited)

	FY2022	FY2023	FY2024
Operating income	334.1	370.6	800.7
PAT	10.1	18.3	46.3
OPBDITA/OI (%)	5.9%	8.3%	8.6%
PAT/OI (%)	3.0%	4.9%	5.8%
Total outside liabilities/Tangible net worth (times)	1.7	2.0	2.0
Total Debt/OPBDITA (times)	1.9	2.7	0.9
Interest coverage (times)	5.7	5.5	7.7

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	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years				
		Amount Rated (Rs. Crore)	Amount outstanding as of May 29, 2024 (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	
				May 29, 2024		Feb 24, 2023	Nov 05, 2021	Oct 12, 2021
1 Fund based - Cash Credit	LT	55.00		[ICRA]BBB (Stable); withdrawn	-	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2 Non-fund-based Others	ST	205.00		[ICRA]A3+; withdrawn	-	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+
3 Fund-based-Term loan	LT	-		-	-	-	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term - Fund based – Cash credit	Simple
Short-term non-fund based - Others	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 No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long -term fund based - Cash credit	NA	NA	NA	55.00	[ICRA]BBB(Stable); withdrawn
NA	Short-term non-fund based - Others	NA	NA	NA	205.00	[ICRA]A3+; withdrawn

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company Name	PEPL Ownership	Consolidation Approach
Bondada Adobes Private Limited	100%	Full Consolidation
Smartbrix Infra Technologies Private Limited	100%	Full Consolidation

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