



**Press Release**  
**Rajendra Singh Kiledar Constructions Private Limited**  
**June 27, 2023**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	26.25	ACUITE BBB-   Stable   Reaffirmed	-
Bank Loan Ratings	63.75	-	ACUITE A3   Reaffirmed
<b>Total Outstanding Quantum (Rs. Cr)</b>	90.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) and short term rating of 'ACUITE A3' (read as ACUITE A three) to the Rs.90.00 crore bank facilities of RAJENDRA SINGH KILDEAR PRIVATE LIMITED (RSKPL). The outlook is 'Stable'.

**Rationale for rating reaffirmation**

The rating reaffirmation takes into account the stable business risk profile of the company marked by established business operations with experienced management. The revenue from operations of the company witnessed marginal improvement to Rs.171.44 crore in FY2023 (Provisional) as against Rs.169.75 crore in FY2022. Furthermore, the profitability of the company witnessed continuous improvement over FY2021-23. The operating profit margin of the company improved to 12.79 percent in FY2023 (Provisional) as against 11.28 percent in FY2022 and 10.33 percent in FY2021 majorly on account of decline in raw material costs. Similarly, the company reported Profit after Tax (PAT) of Rs.8.23 crore in FY2023 (Provisional) as against Rs.8.15 crore in FY2022 with no change in PAT Margin which stood at 4.80 Percent.

The rating further draws comfort from the above average financial risk profile and adequate liquidity position of the company. The company reported net cash accruals of Rs.15.76 crore in FY2023 (Provisional) as against Rs.6.00 crore of matured debt obligations during the same period. The rating is however constrained on account of working capital intensive nature of operations Acuite believes that the company's ability to grow its scale of operations and profitability while maintaining a healthy capital structure remains a key rating indicator.

**About the Company**

Madhya Pradesh based Rajendra Singh Kiledear Private Limited (RSKPL) was established in 1978 as a proprietorship concern, later in 2003 the constitution was changed to private limited company. The company undertakes construction of roads and highways for the government. The company is promoted by Mr. Rajendra Singh Kiledar, Mr. Shivendra Singh Kiledar and Mr. Raghavendra Singh Kiledar.

### **Analytical Approach**

Acuité has considered the standalone financial and business risk profile of RSKPL to arrive at the rating.

### **Key Rating Drivers**

#### **Strengths**

Stable business risk profile with established operations and experienced management

RSKPL was established in 1978 as a proprietorship concern, later in 2003 the constitution was changed to private limited company. The day to day operations are managed by its managing director, Mr. Rajendra Singh Kiledar along with other director, Mr. Shivendra Singh Kiledar and Mr. Raghavendra Singh Kiledar. The management possesses experience of over three decades in the civil construction industry. The extensive experience has enabled the company forge healthy relationships with customers and suppliers. Furthermore, the revenue from operations of the company witnessed marginal improvement to Rs.171.44 crore in FY2023 (Provisional) as against Rs.169.75 crore in FY2022. Furthermore, the profitability of the company witnessed continuous improvement over FY2021-23. The operating profit margin of the company improved to 12.79 percent in FY2023 (Provisional) as against 11.28 percent in FY2022 and 10.33 percent in FY2021 majorly on account of decline in raw material costs. Similarly, the company reported Profit after Tax (PAT) of Rs.8.23 crore in FY2023 (Provisional) as against Rs.8.15 crore in FY2022 with no change in PAT Margin which stood at 4.80 Percent.

Acuité believes that RSKC will continue to benefit from its experienced management and established relationships with customers and suppliers.

### **Above average financial risk profile**

The financial risk profile of the company remain above average marked by moderate net worth, low gearing level and comfortable debt protection metrics. RSKPL's net worth stood at Rs. 62.94 Cr (Provisional) as on 31st March 2023 as against Rs.50.08 Cr as on 31st March 2022. Company follows conservative leverage policy. Gearing levels (debt-to-equity) improved by 12 bps and stood at 0.78 times as on March 31, 2023 (Provisional) as against 0.90 times in FY 2022. Improvement in Gearing Ratio in FY 23 is on account of profit accretions, repayment of debt and treatment of USL as quasi equity. The total debt outstanding of the company is Rs. 49.19 crore as on 31 March, 2023 (Provisional) which consists of long term bank borrowings of Rs.19.42 crore, short term working capital limit of Rs. 23.27 crore and current maturities of long term Debt Rs 6.50 crore.

Further, the interest coverage ratio witnessed moderation of 99 bps yet stood comfortable at 3.85 times for FY2023 (Provisional) as against 4.84 times in FY2022. Debt Service coverage ratio witnessed minuscule improved of 3 bps and stood moderate at 1.78 times for FY2023 (Provisional) as against 1.75 times in FY2022. Total outside liabilities to total net worth (TOL/TNW) stood at 1.67 times as on FY2023 (Provisional) vis-à-vis 2.14 times as on FY2022. However, Debt-EBITA stood at 1.97 times as on 31st March 2023(Provisional) as against 2.08 times as on 31st March 2022. The Net Cash Accruals to Total debt stood at 0.32 times as on FY2023 (Provisional) and 0.32 times for FY2022.

Acuité believes that the financial risk profile of the company is expected to improve and remain comfortable in medium terms as the company do not have any large capex plan in the short term period.

### **Weaknesses**

#### **Working capital intensive nature of operations**

The operations of the company are working capital intensive in nature as evident from high gross current assets (GCA) days of 206 days for FY2023 (Provisional) as compared to 198 days for FY2022. The high GCA days is majorly on account of high receivable period of 131 days for FY2023 (Provisional) as against 119 days same period last year. The inventory days of the company stood at 49 days for FY2023 (Provisional) as against 41 days for FY2022. The working capital intensive nature of operations have led the company to rely more working capital facilities through bank lines. Furthermore, the average utilisation of fund based working capital limits remained high at ~ 91 per cent during the last twelve months ended March 23 while Non fund based limits utilization as on March 31, 2023 is 88 percent. Acuite beleives that the operations of the company will continue to remain working capital intensive over the medium term on account of the nature of business.

### **Tender base business**

Major business of the entity is bagged by participating in tenders floated. The revenues of the company are directly dependent upon the quantum of contracts bagged and executed during the year. Risk become more pronounced as tendering is based on minimum amount of bidding of contracts. The firm has to do tendering on competitive prices; this may affect the profitability of the company. This has resulted in fluctuating operating profit margins.

### **Rating Sensitivities**

Improvement in scale of operations along with profitability

Timely execution of contracts.

Improvement in working capital operations.

### **Material covenants**

None

### **Liquidity Position**

#### **Adequate**

Company has adequate liquidity marked by net cash accruals to its maturing debt obligations, current ratio, cash and bank balance. Company generated cash accruals of Rs. 15.76 crore for FY2023 (Prov.) as against obligations of Rs. 6 crores for the same period. Current Ratio stood at 1.53 times as on 31 March 2023(Prov.) as against 1.42 times in the previous year. Fund working capital limits are utilized at ~ 91 per cent during the last twelve months ended March 23 while Non fund based limits utilization as on March 31, 2023 is 88 percent. Cash and Bank Balances of company stood at Rs 1.74 crores. Company has fixed deposits of Rs~42 crore out of which FDs of Rs ~ 24 crore are unencumbered. The liquidity of the company is expected to improve with company expected to generate cash accruals in the range of Rs. 18 to 22 Cr. against repayment of ~Rs. 4 to 6 crore and the cash and bank position will also support the liquidity of the company.

### **Outlook: Stable**

Acuité believes that RSKPL will maintain a 'Stable' outlook over the medium term from the industry experience of its promoters. The outlook may be revised to 'Positive' if there is substantial and sustained improvement in RSKPL's operating income and profitability, while improving its working capital cycle. Conversely, the outlook may be revised to 'Negative' in case of further deterioration in revenue, profitability or working capital leading to stretch in liquidity profile or weakening of its capital structure and debt protection metrics.

## Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	171.44	169.75
PAT	Rs. Cr.	8.23	8.15
PAT Margin	(%)	4.80	4.80
Total Debt/Tangible Net Worth	Times	0.78	0.90
PBDIT/Interest	Times	3.85	4.84

### Status of non-cooperation with previous CRA (if applicable)

CRISIL vide its press release dated 30 February 2022, has mentioned the rating of RSKPL to '[CRISIL]BB-/Stable/A4+' Issuer Not Cooperating as on 30 February 2022.

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Apr 2022	Bank Guarantee	Short Term	19.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	24.40	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	10.10	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	20.50	ACUITE A3 (Reaffirmed)
	Secured Overdraft	Long Term	8.50	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	0.50	ACUITE BBB-   Stable (Reaffirmed)
03 Mar 2020	Bank Guarantee	Short Term	19.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	8.50	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Reaffirmed)
	Secured Overdraft	Short Term	6.50	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	23.50	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	0.50	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	28.50	ACUITE A3 (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Central Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	25.50	ACUITE A3   Reaffirmed
Yes Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	11.65	ACUITE A3   Reaffirmed
HDFC Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	16.50	ACUITE A3   Reaffirmed
Kotak Mahindra Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	10.10	ACUITE A3   Reaffirmed
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	13.25	ACUITE BBB-   Stable   Reaffirmed
Central Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE BBB-   Stable   Reaffirmed
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE BBB-   Stable   Reaffirmed
Kotak Mahindra Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE BBB-   Stable   Reaffirmed
HDFC Bank Ltd	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE BBB-   Stable   Reaffirmed
Yes Bank Ltd	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE BBB-   Stable   Reaffirmed

## Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>  Himanshu . Senior Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:himanshu.mehta@acuite.in">himanshu.mehta@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.