

## Rajshree Construction

June 01, 2021

## Ratings

Facilities / Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Rating Action
Long Term Bank Facilities	0.13	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; (Double B Minus); Stable outlook assigned
Long Term Bank Facilities	5.01	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable; (Double B Minus; Outlook: Stable)
Short Term Bank Facilities	3.75	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Facilities	8.89 (Rs. Eight Crore and Eighty-Nine Lakhs Only)		

*Details of facilities in Annexure-1*

CARE had, vide its press release dated May 28, 2020, placed the rating of Rajshree Construction (RC) under the 'issuer non-cooperating' category as RC had failed to provide information for monitoring of the rating for the rating exercise as agreed to in its Rating Agreement. RC continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated May 03, 2021, May 17, 2021, May 19, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).***

The ratings assigned to the bank facilities of VLC have been revised on account of non-availability of requisite information.

#### Detailed description of the key rating drivers

Please refer to PR dated [May 28 2020](#)

**Analytical approach:** Standalone

#### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

### About the Firm

Dahod-based (Gujarat), Rajshree Construction (RCO) is a partnership firm constituted in 2005 by Mr. Deepsingh Hada, Mr. Hitendrakumar Hada, Mr. Jasvantsinh Hada and Mrs. Kokilaben Hada. RCO is engaged in executing civil construction projects for construction of roads and bridges. The firm also has a class 'A' contractor certificate from the Road & Building department (R&B), Government of Gujarat (GoG) which makes the firm eligible for tendering for the works of roads and building department, irrigation department and public health engineering department in the Gujarat state. The entity generates significant portion of its revenue through road work such as new road construction, patch work, resurfacing executed in the state of Gujarat. RCO secures all its government contracts through open bidding process of R&B department of Gujarat. Orders received by RCO generally get executed within 6-12 months. The firm sub-lets around 10% of its work orders to other local sub-contractors.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	30.25	44.56
PBILDT	3.55	4.75
PAT	1.83	2.63
Overall gearing (times)	0.56	0.70
Interest coverage (times)	11.03	8.07

A: Audited

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not applicable

**Rating History for last three years:** Please refer Annexure-2

**Complexity level of various instruments rated for this company:** Refer to Annexure-3

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	September 2016	0.13	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	2.95	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	1.45	CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	August 2016	0.01	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	2.05	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	2.30	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	0.13	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; ISSUER NOT COOPERATING* (28-May-20)	-	1)CARE BB; ISSUER NOT COOPERATING* (12-Mar-19)
2.	Fund-based - LT-Cash Credit	LT	2.95	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (28-May-20)	-	1)CARE BB; ISSUER NOT COOPERATING* (12-Mar-19)
3.	Non-fund-based - ST-Bank Guarantees	ST	1.45	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (28-May-20)	-	1)CARE A4; ISSUER NOT COOPERATING* (12-Mar-19)
4.	Fund-based - LT-Term Loan	LT	0.01	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (28-May-20)	-	1)CARE BB; ISSUER NOT COOPERATING* (12-Mar-19)
5.	Fund-based - LT-Cash Credit	LT	2.05	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (28-May-20)	-	1)CARE BB; ISSUER NOT COOPERATING* (12-Mar-19)
6.	Non-fund-based - ST-Bank Guarantees	ST	2.30	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (28-May-20)	-	1)CARE A4; ISSUER NOT COOPERATING* (12-Mar-19)

\*Issuer did not cooperate; Based on best available information

**Annexure 3: Complexity level of various instruments rated for this Firm**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Non-fund-based - ST-Bank Guarantees	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

**Contact us**
**Media Contact**

Name - Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

**Analyst Contact**

Name - Ms. Shreedha Shah

Contact no. – +91-79-40265636

Email ID- [shreedha.shah@careratings.com](mailto:shreedha.shah@careratings.com)

**Relationship Contact**

Name - Mr. Deepak Prajapati

Contact no. – +91-79-40265656

Email ID: [deepak.prajapati@careratings.com](mailto:deepak.prajapati@careratings.com)

**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over nearly two decades; it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**