INDIAN CONSTRUCTION SECTOR

CHALLENGING SHORT-TERM OUTLOOK ON INTENSIFYING EXECUTION RISKS

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Summary

- Improvement in new project announcements by the government in H1FY12 was countered by a sharp drop in new project announcements by the private sector during the same period, thereby resulting in muted new order inflows
- Concerns over execution of orders have intensified and the quantum of stalled projects has increased by 42% y-o-y to Rs. 4.17 trillion as on September 30, 2011; infrastructure sub-sectors such as irrigation, power, mining and real estate suffered the maximum y-o-y increase in the quantum of stalled projects during this period
- Reduced pace of execution, increase in the costs of key inputs and higher labour costs have affected the operating margins; elongated working capital cycle and the need to support developer business have increased the debt levels, which coupled with higher overall cost of borrowings have increased interest costs and compressed net profit margins
- However, long-term opportunities in the sector continue to be strong, considering the large planned investments in infrastructure that are necessary to support the needs of the rising population and high expected growth rates of the Gross Domestic Product (GDP).

Overview

The construction sector in India currently faces a number of challenges. The Reserve Bank of India (RBI) raised benchmark interest rates on multiple occasions since March 2010 which increased the overall cost of borrowing. In addition, the private sector deferred its capital expenditure decisions on account of uncertain demand conditions and issues concerning land acquisition; approvals and clearances; fuel security and pricing; counterparty credit risks and policy issues. In FY 11, new projects announcements by the government sector also slowed down due to delays in decision making; lack of stable leadership at key public sector undertakings (PSUs); corruption-related investigations and state elections.

A key area of concern is the steady increase in the quantum of stalled projects to Rs. 4.17 trillion in September 2011from Rs. 2.94 trillion in September 2010, representing a 42% increase on a y-o-y basis (15% on q-o-q basis). Consequently, the y-o-y revenue growth of construction companies in Q1/Q2 FY 12 has been the slowest as compared to the past few years. The reduced pace of execution is also evidenced by the significantly lower y-o-y growth of 2.7% (at FY 05 prices) in construction GDP in H1 FY 12 as compared to 7.2% y-o-y growth in H1 FY 11.

Companies have suffered elongated working capital cycles due to delays in realizing payments from clients; piling work-in-progress due to delayed certification by clients and the need to support sub-contractors to ensure continuity in project execution. Labour shortages and government welfare schemes such as the National Rural Employment Guarantee Scheme have resulted in higher labour costs. Slower pace of execution and higher input and labour costs affected the operating profits of construction companies while high interest costs associated with higher debt levels eroded their net profits.

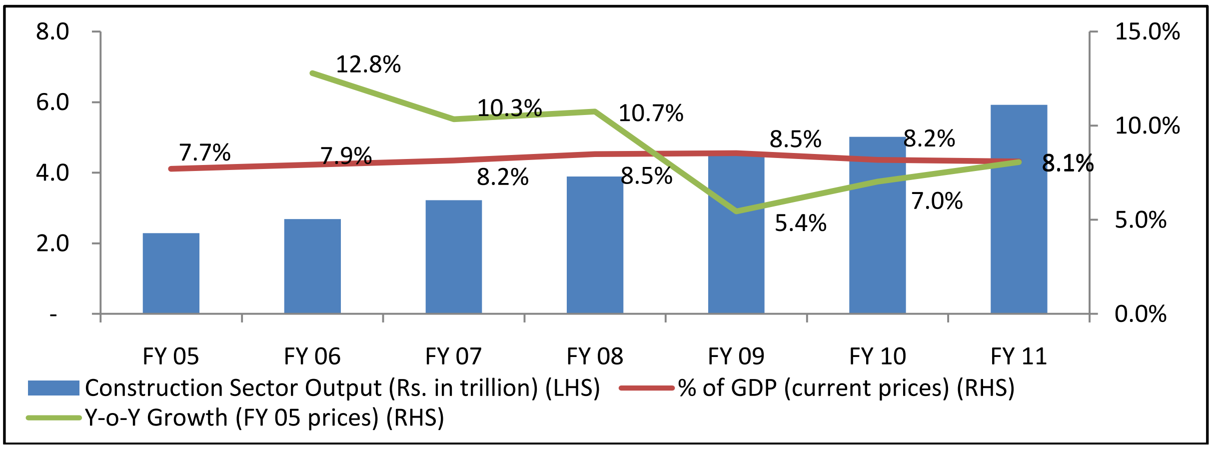
With most large construction companies also present in the asset ownership space, companies need to fund their equity commitments in Special Purpose Vehicles (SPVs) executing infrastructure projects. Financial support may also have to be provided in case of cost/time overruns or lower-than-expected revenues. In some cases, companies undertake multiple leveraging, which increase their consolidated gearing levels considerably. Construction companies are looking to dilute stakes in SPVs/infrastructure holding companies to ease pressure on their own balance sheets. However, given the current macroeconomic environment, the ability to attract investors at mutually agreeable terms could be a challenge.

The large planned investment in infrastructure would require significant capital mobilization and banks, hitherto the dominant source of debt funding for infrastructure projects, would not be able to meet the sector's increasing requirements given their limitations related to sector/group exposure norms and asset-liability mismatches. Recent policy initiatives such as creation of Infrastructure Debt Funds (IDFs) and the role of India Infrastructure Finance Company Limited (IIFCL) assume importance and could channelise long-term debt funds to the infrastructure sector.

Significant Long-term Opportunities

The construction sector is an integral part of the Indian economy and has contributed to 7.5-8.5% of the country's GDP (at current prices) since FY 05:

Exhibit 1: Contribution of Construction Sector to GDP



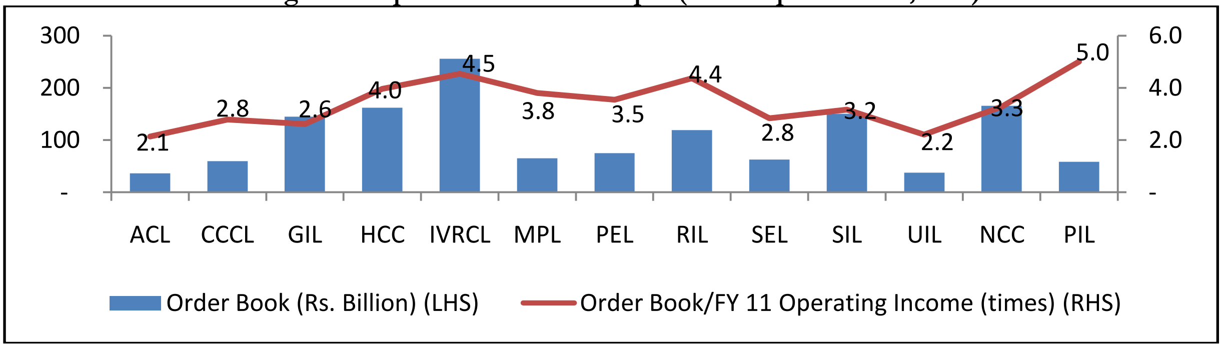
Source: ICRA Research

Opportunities for the construction sector arise from investments in the infrastructure sector comprising transportation (development of roads, airports, ports and railways), energy (thermal and hydroelectric power), irrigation, telecom, urban infrastructure and industrial capex (from sectors such as autos/auto-ancillaries, textiles, steel, cement and hydrocarbon). The large planned investments in infrastructure development coupled with the relatively higher construction intensities involved in such projects would drive opportunities for construction companies going forward. Infrastructure development is crucial to meet the demands of the growing population of the country and support the high projected GDP growth rates in excess of 7%. Based on current announcements, infrastructure spending in the XIIth five-year plan (April 2012-17) is expected to double to over Rs. 40 trillion[1] from Rs. 20.5 trillion in the XIth five-year plan. Assuming a construction intensity of 50-55%, this theoretically translates into an opportunity of Rs. 20-22 trillion for the construction industry over 2012-17 (if 90% of the targets in the XIIth five-year plan are achieved, it would result in a construction opportunity of ~Rs. 18-20 trillion). However, realizing such an opportunity is contingent on successful mitigation of various issues that result in delays in construction activities such as land acquisition; securing requisite clearances ensuring financial closure etc.

Order backlog of construction companies remains healthy…

Based on the order books of 15 companies covered in the ICRA sample[2], most companies had healthy unexecuted order book levels as of September 30, 2011 with the ratio of (unexecuted) order book to last reported annual revenues ranging from 2.1x to 5.0x and an average of 3.4x. The corresponding averages as of 30 June 2011 and 31 March 2011 were at 3.34x and 3.35x; the relatively flat averages indicate sluggishness in new order inflow and relatively slow execution.

Exhibit 2: Order Backlog of Companies in ICRA Sample (as of September 30, 2011)



Source: ICRA Research; Companies' Quarterly Results; Investor Presentations

[1] Source: *Investment in Infrastructure during the Eleventh Five Year Plan*, Secretariat for Infrastructure, January 2011

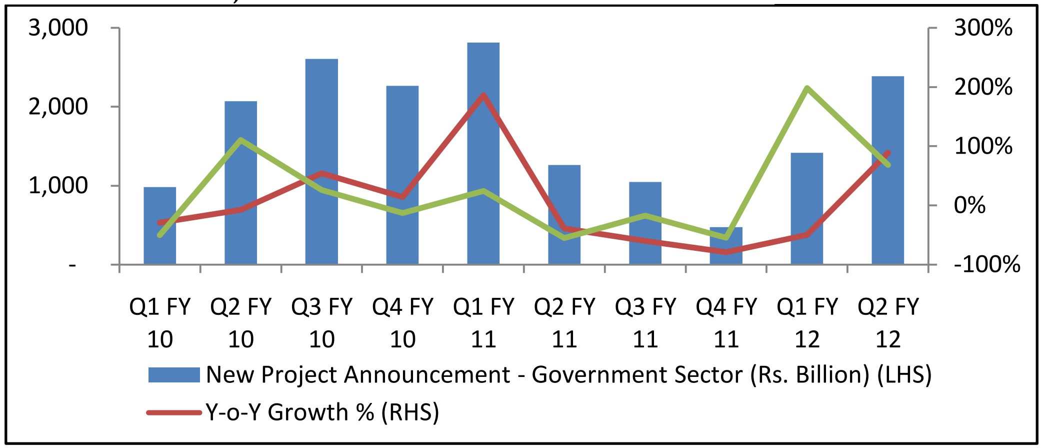
[2] The construction sector in India is highly fragmented and is characterised by the presence of organised as well as unorganised players. The ICRA sample includes the following leading listed construction companies:

Ahluwalia Contracts (India) Limited (ACL), B L Kashyap & Sons Limited (BKSL), Consolidated Construction Company Limited (CCCL), Era Infra Engineering Limited (EIEL), Gammon India Limited (GIL), Hindustan Construction Company Limited (HCC), IVRCL Limited (IVRCL), Madhucon Projects Limited (MPL), Nagarjuna Construction Company Limited (NCC), Patel Engineering Limited (PEL), Pratibha Industries Limited (PIL), Ramky Infrastructure Limited (RIL), Sadbhav Engineering Limited (SEL), Simplex Infrastructure Limited (SIL) and Unity Infraprojects Limited (UIL)

…however, new order inflow turns tepid due to a sharp drop in private sector capex

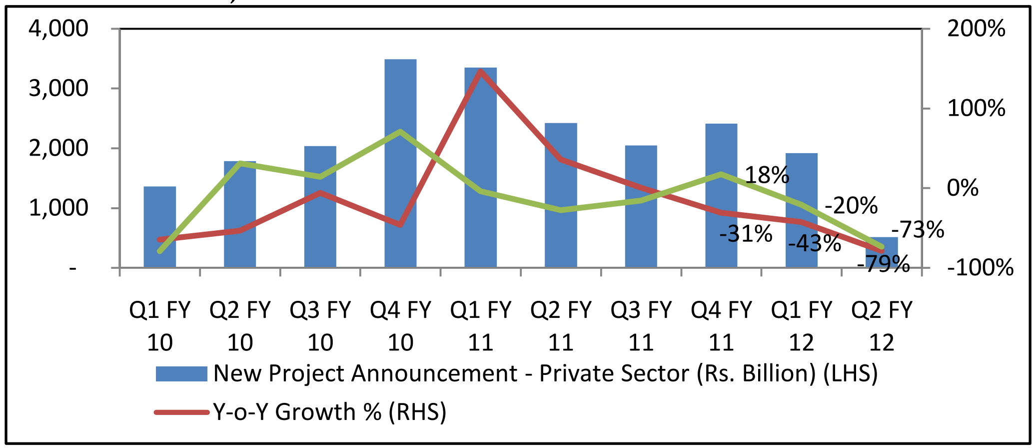
New project announcements by the government sector registered an approximate 29% decline in FY 11 over FY 10 due to multiple factors including state elections; lack of stable leadership in some PSUs, corruption-related investigations etc.). Nevertheless, renewed thrust on infrastructure spending led to some improvement in the first two quarters of FY 12. On the other hand, new project announcements by the private sector registered a negative growth for the past two quarters on a year-on-year as well as quarter on quarter basis, with the steepest decline in Q2 FY 12 (-79% y-o-y/-73% q-o-q).

Exhibit 3: New Project Announcement – Government Sector



Source: CMIE Capex

Exhibit 4: New Project Announcement – Private Sector

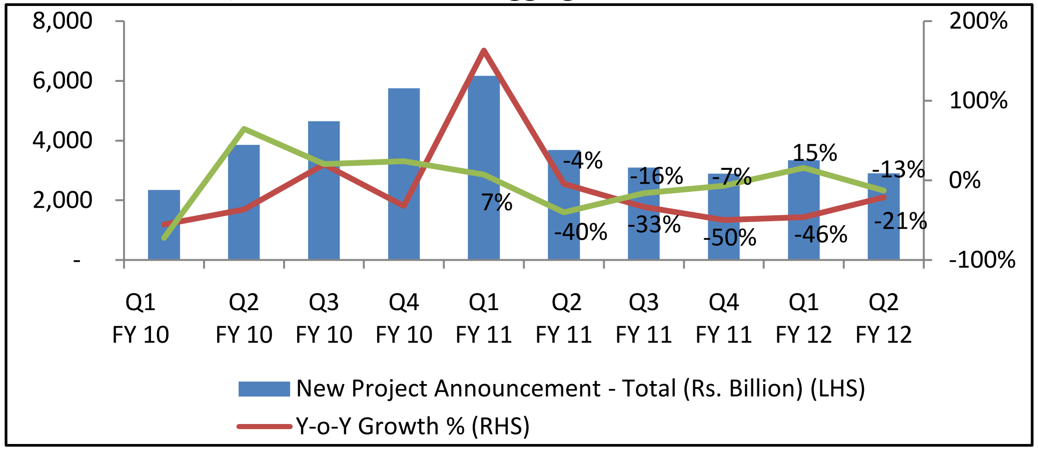


Source: CMIE Capex

The significant drop in new project announcements by the private sector was due to issues regarding land acquisition; securing approvals and clearances; fuel security and pricing; counterparty credit risks, policy issues etc. Further, successive hikes in interest rates by the RBI have increased the overall cost of project implementation. Private sector capex typically lags overall economic recovery as companies would defer capex decisions till they are convinced of a sustainable recovery. Consequently, sustained government spending in infrastructure would be crucial to counter the impact of reduced private sector capex activity and companies that are largely dependent on private sector clients could witness sluggishness in new order inflows until there is a revival in capital expenditure by the private sector.

On an aggregate basis, new project announcements registered a 5% decline in FY 11 over FY 10. The decline in H1 FY 12 over H1 FY 11 was more pronounced at 37%. New project announcements have reduced in almost every quarter since Q2 FY 11.

Exhibit 5: New Project Announcement – Aggregate



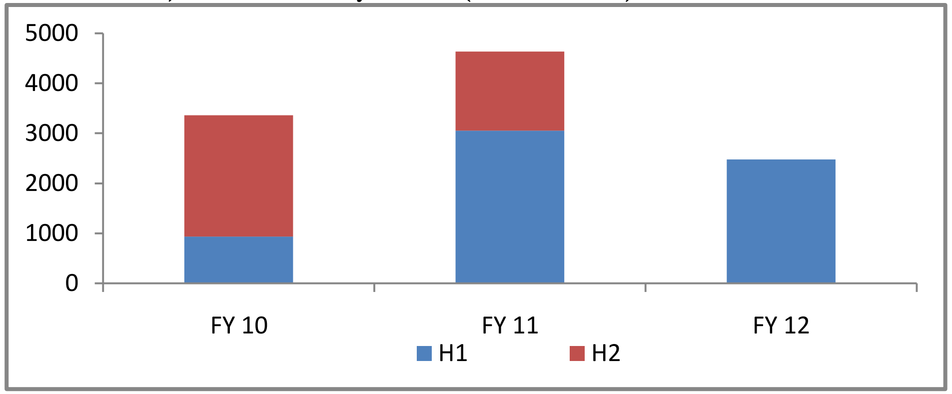
Source: CMIE Capex

The weakening environment was reflected in ICRA's sample of construction companies, as most of these entities registered a decline in new order inflow during Q1 FY 12 with the median drop in new order inflow of almost 33% compared to Q1 FY 11. The delays in getting L1 orders converted into final contract awards were as much as 6 months. As a result, in order to counter the impact of slower pace of new domestic business procurement, a few construction companies began to target geographies with significant untapped potential such as countries in the Middle East, Africa and South Asia. However, project execution remains a challenge, given the challenging socio-political environment in some of these geographies.

Traction in award of projects in the highways sector; power sector capex plagued by various issues; policy initiatives needed for ports, airports and railways sectors; opportunities expected in urban infrastructure sectors, particularly metros and water management

In FY 11, the roads/highways sector experienced a ~38% y-o-y increase in projects awarded (in terms of kilometres) by the National Highways Authority of India (NHAI). However, ~66% of the projects in FY 11 were awarded in the first half of the year, with a marked slowdown in new project awards in H2 FY 11. In FY 12, NHAI has set a target to award 80 projects covering 10,065 kilometres (inclusive of toll, annuity and cash contracts). In H1 FY 12, the authority awarded projects aggregating to 2,476 kms (~25% of FY 12 target), which is a 19% y-o-y drop over H1 FY 11 levels but a significant improvement of 56% over H2 FY 11 levels.

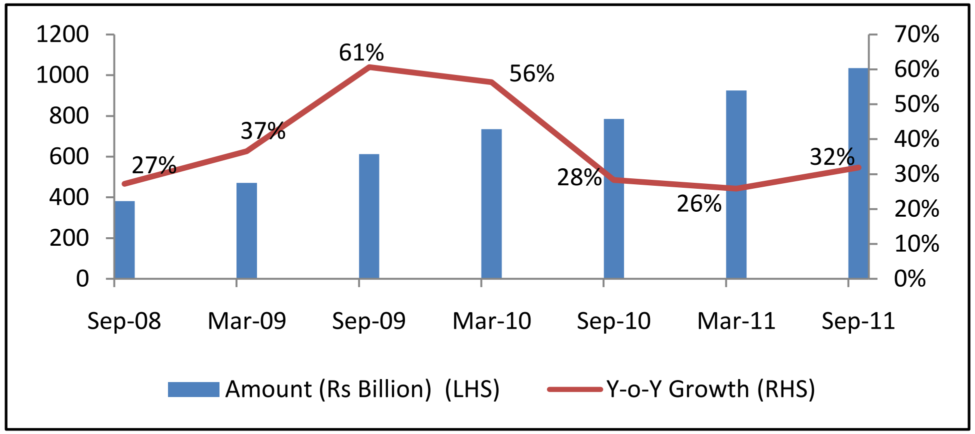
Exhibit 6: Projects Awarded by NHAI (in kilometres)



Source: NHAI; ICRA Research

The pace of order awards of NHAI has fallen signicantly short of its month-wise targets. In H1 FY 12, NHAI awarded projects aggregating to 2,476 kms, which is just 47% of its target of awarding 5,360 kms of projects. With a view to streamline the order award process, NHAI made the pre-qualification process an annual exercise instead of a project-specific one. The move is expected to reduce the order award time by two-to-three months, as developers would not be requried to submit documents for pre-qualification for each new tender and would instead be pre-qualified for a particular quantum of projects (in value terms) for a year. The NHAI also commenced the practice of setting monthly targets for awarding new projects in order to improve accountability and project planning.

Exhibit 7: Outstanding Bank Credit to the Roads Sector



Source: RBI Database, ICRA Research

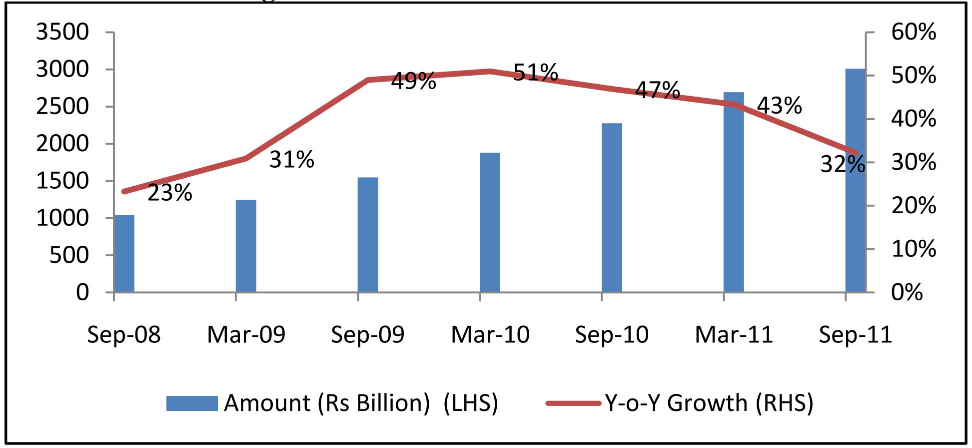
In November 2011, the Cabinet Committee on Infrastructure approved 15 national highway projects aggregating to 1,814 kms. The contracts for these projects are expected to be awarded within 1-2 months. Thus, while there has been some traction in the award of new projects by the NHAI in H1 FY 12, given the sluggishness in award of new projects in almost every other infrastructure sub-segment, competition in the roads sector has been intense as is reflected by the entry of new players in the sector (by forming JVs with domestic/international entities) and increasing number of bidders for projects. However, there are initial signs of moderation in competitive intensity in the sector evidenced by compression in the differences between bids of L1 and L2 players, etc.

Data on the deployment of bank credit to the road sector indicates a moderate (y-o-y) increase in H1 FY 12, although the growth rates are significantly lower than those witnessed in FY 10.

However, growth rate in bank credit to the power sector has witnessed a marked decline and is reflective of various challenges related to fuel security and pricing; financial health of state electricity boards; ability of developers to secure requisite clearances and sector exposure caps of banks.

In the railways sector, recent developments indicate renewed focus on the dedicated freight corridor project[3]. In October 2011, the World Bank sanctioned funds to part-finance the construction of the eastern corridor. The Japan International Cooperation Agency (JICA) is expected to part-fund the construction of the western corridor. Land acquisition is complete by more than 50% and is expected to be fully secured by June 2012, based on current announcements. The project has suffered significant delays due to issues related to fund-raising and land acquisition. Hence, policy decisions and government support are required for project execution. The two freight corridors that are currently being developed are planned to be completed by FY 17 at an estimated total cost of ~Rs. 770 billion. This translates into a construction opportunity of ~Rs. 308-345 billion (assuming a construction intensity of 40-45%).

Exhibit 8: Outstanding Bank Credit to the Power Sector



Source: RBI Database, ICRA Research

Airports constituted the only infrastructure sub-sector, wherein investment targets were revised upwards in the mid-term review of the XIth five-year plan. However, there has been limited activity in this sector due to regulatory uncertainities and lack of clarity on impending issues. Therefore, government inititatives are required to ensure implementation thrust on projects such as the construction of airports at Tier-2 and Tier-3 cities; development of the Navi Mumbai international airport and modernisation of existing airports in cities with high projected passenger growth.

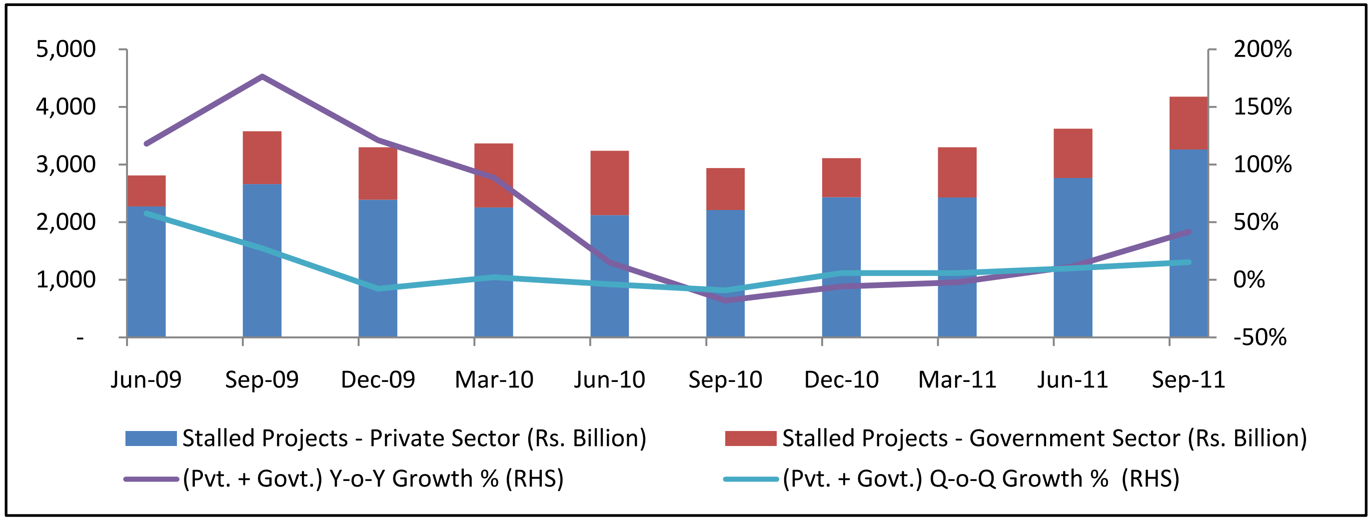
Sectors with significant construction potential over the medium term include urban infrastructure projects, particularly metros and water management. A number of cities such as Jaipur, Chennai, Hyderabad and Mumbai are currently developing metros to improve urban connectivity. Similarly, metro projects are planned in cities such as Kochi, Pune, Ahmedabad, Ludhiana, Kanpur, Indore, Chandigarh, Patna, Navi Mumbai and Lucknow. These projects along with expansion of existing metro projects in cities like Kolkata and Delhi and the proposed Bangalore high speed rail link could provide significant opportunities to construction companies. However, implementation of metro projects is challenging, given the requirement of clearances from multiple agencies/authorities; shifting of utilities and traffic management. Hence, support from the central and state governments is essential for land acquisition, funding assistance and the relevant clearances.

Execution concerns intensify, resulting in lower revenue growth rates

Despite their healthy unexecuted order books, almost all construction companies are plagued by a number of slow-moving orders due to issues related to land acquisition; securing requisite clearances; labour shortage and other sector specific issues such as payment issues plaguing irrigation projects in Andhra Pradesh and issues faced by power projects. The slowdown in the pace of execution can be gauged by the quantum of stalled projects, which has been steadily increasing since September 2010.

[3] The project envisages construction of a dedicated route that initially comprises the western corridor (Jawaharlal Nehru Port, Mumbai to Tughlakabad, New Delhi - 1,839 kms) and eastern corridor (Ludhiana to Dankuni - 1,534 kms). The existing trunk routes of Howrah-Delhi (eastern) and Mumbai-Delhi (western) are saturated, with line capacity utilisation exceeding 100% due to rapid pace of growth of railway freight traffic over the years. The project is being developed by an SPV called Dedicated Freight Corridor Corporation of India Limited and aims to build high-capacity, high-speed freight routes to cater to the growing railway freight traffic.

Exhibit 9: Quantum of Stalled Projects



Source: CMIE Capex

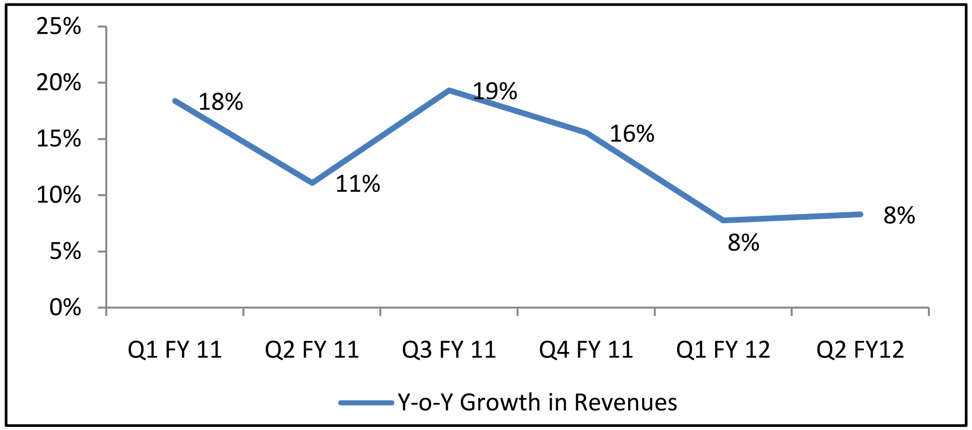
As of September 2011, the quantum of stalled projects stood at Rs. 4.17 trillion, representing an increase of 42% on a y-o-y basis (15% on q-o-q basis), with most (78%) stalled projects attributable to the private sector. As of September 2011, the quantum of stalled private sector projects increased by 48% on a y-o-y basis (18% q-o-q), while the corresponding increase in stalled government sector projects was relatively lower at 25% y-o-y (6% q-o-q). On an aggregate basis (considering projects from government as well as private sectors), infrastructure sub-sectors that suffered the maximum increase in the quantum of stalled projects as of September 2011 (on y-o-y basis) included irrigation (88%), power (86%), mining (49%) and real estate.

The reduced pace of execution is also evidenced by the significantly lower y-o-y growth in construction GDP in H1 FY 12[4] (2.7%, at FY 05 prices) as compared to the 7.2% y-o-y growth registered in H1 FY 11.

On an aggregate basis, the y-o-y revenue growth rates[5] of companies covered in ICRA's sample have been the slowest in Q1 and Q2 FY 12 as compared to the previous five quarters. Some of the factors that have contributed to the reduced pace of execution include slowdown in the pace of execution by sub-contractors (especially smaller subcontractors, who have been particularly affected by the successive hikes in interest rates), issues related to land acquisition, resulting in non-availability of work-front, etc.

Shortage of manpower is also an area of concern for construction companies: a significant proportion of the labour-force at construction sites comprises migrant workers from states like West Bengal, Bihar, Orissa etc. Increasing opportunities in their home-states have resulted in a drop in the quantum of migrant workers resulting in labour shortages. This coupled with government welfare schemes such as the National Rural Employment Guarantee Scheme has increased the labour costs for construction companies.

Exhibit 10: Revenue Growth of Companies Covered in ICRA Sample



Source: ICRA Research

[4] Source: *Quarterly Estimates of Gross Domestic Product for the Second Quarter of 2011-12*, Central Statistics Office

[5] It is relevant to note that companies follow different policies with respect to revenue recognition in terms of the threshold percentage of work that needs to be completed before margins are recognised on contracts. Further, the treatment of revenues arising out of claims under dispute/arbitration also varies across companies. Some companies recognise revenues from claims under dispute/arbitration based on the legal probability of recovery (aggressive) while others recognise revenues only when an arbitration award is received in favour of the company (although the client may choose to appeal such an award) and yet others recognise revenues only when the arbitration award is actually realised/recovered from the client (conservative).

Companies attempting to dilute stake in their developer business to ease stress on the parent's balance sheet

Given the intense competition and pressure on margins in the core construction business coupled with a conscious focus towards executing infrastructure development projects on a PPP mode by the government, most construction companies have undertaken forward integration into the infrastructure asset ownership space by bidding for projects such as toll roads, power projects, etc. on a Build-Operate-Transfer (BOT) basis.

Most construction companies adopt a structure that includes setting up of umbrella holding companies (holdcos) for different infrastructure verticals with each holdco in turn holding stakes in various SPVs that execute individual BOT projects. The umbrella holdcos are typically subsidiaries of the parent construction company. However, most of these umbrella holdcos are unlisted, which limits the access to equity capital markets. Companies typically finance their equity commitments in their BOT projects by securitising receivables from operational assets; diluting equity at the SPV/holdco level or by raising debt at the holdco/parent level for onward fund infusion to the SPVs. In some cases, companies undertake multiple leveraging whereby debt is raised at the parent/holdco level and infused as equity into an SPV, which in turn raises further debt on its own books against such equity – this increases the consolidated gearing levels considerably. SPVs typically award the construction contract to the parent construction company, as a result of which a part of the equity commitment towards the BOT project is recovered through construction margins. Raising debt at the parent level could deteriorate the financial profile of construction companies, especially since these companies are already facing numerous challenges.

Many construction companies have actively sought to dilute stakes in SPVs/holdcos to private equity participants in order to fund equity commitments in their under-construction projects. However, given the current macroeconomic environment, companies may find it challenging to attract external investments into their projects at mutually agreeable terms.

Elongation of working capital cycle results in increased debt levels; higher input costs and interest expenses and affects operating and net profit margins

In H1 FY 12, several construction companies have witnessed an elongation in the working capital cycle, primarily due to slowdown in release of outstanding payments from both government and private sector clients. The lack of an efficient arbitration mechanism prolongs the time-frame required for settlement of outstanding claims. Some clients that earlier provided interest-free mobilisation advances have begun to charge interest on such advances. In order to ensure continuity in execution, construction companies are required to provide more support to subcontractors (particularly smaller subcontractors with lower sanctioned bank lines of credit and whose borrowing costs have increased). Further, with lower quantum of new order inflows for most companies, there has been a reduction in the quantum of mobilisation advances received from clients. These factors have resulted in an increase in the working capital cycle, which coupled with debt raising at parent level to support the developer business (in some cases) has resulted in a 20% y-o-y increase in debt levels (on a standalone basis) as of 30 September 2011 and an 18% increase over 31 March 2011 levels for companies covered in ICRA's sample:

Table 1: Aggregate Debt (Standalone) of Companies in ICRA Sample

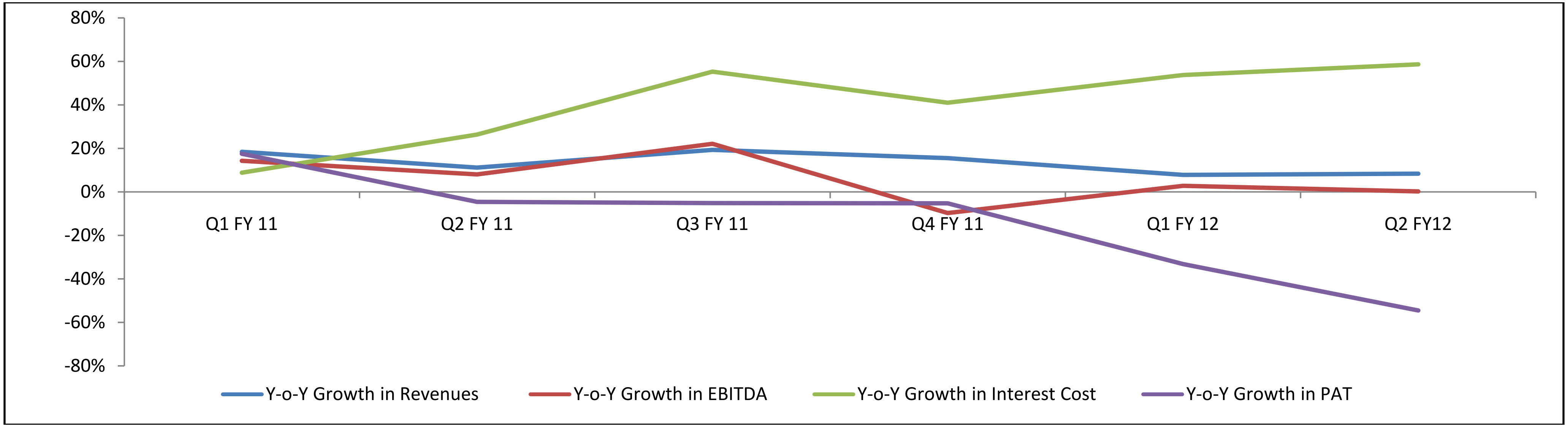
Rs. in crore	September 30, 2010	March 31, 2011	September 30, 2011
Aggregate debt of companies in ICRA sample	20,320	20,664	24,332
Aggregate net-worth of companies in ICRA sample	15,656	16,929	17,404
Gearing (times)	1.30	1.22	1.40

Source: ICRA Research

On the operating front, an increase in labour and input costs (cement, steel and bitumen) affected operating margins, while increasing debt levels and a rise in the cost of debt due to successive hikes in interest rates by the RBI compressed net profit margins. Given the reduced pace of new order inflows in H1 FY12, there is a risk of construction companies sacrificing contract margins in order to augment their order books.

Exhibit 11 depicts the y-o-y growth in revenues, EBITDA, interest costs and net profits (on an aggregate basis) for companies covered in ICRA's sample.

Exhibit 11: Year-on-Year Growth in Key Financial Indicators for Companies in ICRA Sample



Source: ICRA Research

Policy initiatives could channelise fund flows to the developer business of contractors

Infrastructure projects are largely funded by banks, which are constrained by sectoral caps and group exposure norms besides asset-liability mismatches. The lack of an active corporate bond market and restrictive investment norms for pension/insurance companies curtail financing for infrastructure projects in India. Project developers require long-tenor loans extending to 10-15 years, given the relatively long concession periods (15-30 years) for infrastructure/BOT projects. However, the appetite of Indian lenders for long-tenor loans is low because such loans create asset-liability mismatches in their books, given that the average maturity of their funding sources is lower.

Given the large planned investments in infrastructure as part of the XIIth five-year plan, the government has initiated several proposals to channelise long-term funds to the sector. Some of these include creation of IDFs, takeout financing and credit enhancement scheme by IIFCL.

In July 2011, SEBI issued guidelines for setting up infrastructure debt funds that were mooted in the Union Budget for 2011-12. IDFs can be set up by existing mutual funds and would invest at least 90% of assets in debt securities of infrastructure companies or SPVs across infrastructure sectors. This could facilitate debt-raising at the SPV level on the strength of the project cash flows without relying on the balance sheet of the parent company.

IIFCL was appointed as a nodal agency to provide take-out finance to banks that finance infrastructure projects. Take-out financing seeks to address issues relating to asset-liability mismatches by creating a provision, whereby the outstanding exposure of a bank to a project would be transferred to IIFCL on a pre-determined basis. While IIFCL was permitted to take-out only 20% of a project's total cost, in September 2011 IIFCL, IDFC and LIC entered into a Memorandum of Understanding (MoU), whereby the quantum of take-out financing provided could increase to 50% (with IIFCL and LIC taking-out 20% each and IDFC taking the balance 10%). While the quantum of take-out finance arranged by IIFCL has been modest so far, such measures could benefit the take-out financing scheme.

IIFCL also proposes to launch a credit-enhancement scheme, whereby it would guarantee a portion (upto 50%) of bonds issued by the promoters of infrastructure development projects in order to improve the ratings of such bonds. This could serve to attract investments from investors such as pension funds and insurance companies that have the appetite for longer-tenor debt instruments but require bonds to be rated above certain threshold levels. IIFCL is also in talks with the World Bank and the Asian Development Bank in order to evolve and explore structures that could further improve the ratings of bonds guaranteed by IIFCL. While the scheme has been cleared by the Board of IIFCL, the finance ministry has advised the company to conduct trials of the scheme on some pilot projects before launching the full-fledged version.

Conclusion

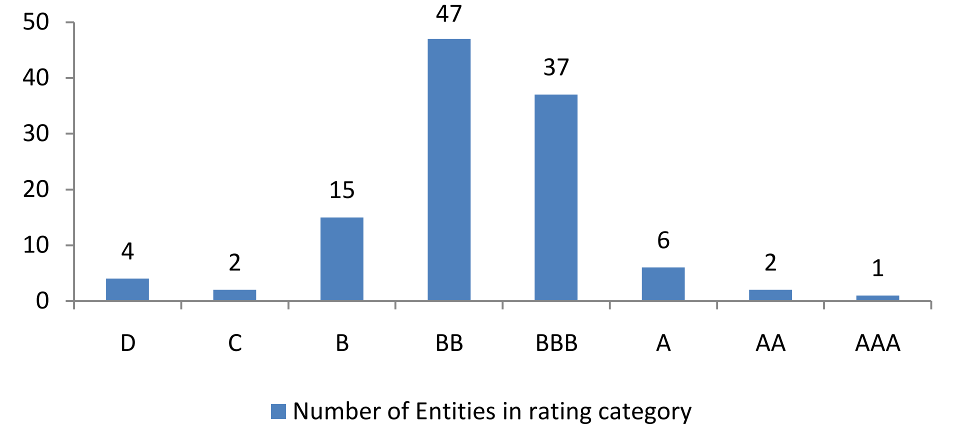
The cashflows and debt coverage indicators of most companies in the construction sector are under pressure on account of higher debt levels; moderation in revenue growth and suppressed profitability. Going forward, ICRA believes that the companies with a favourable capital structure; moving order book; relatively low working capital intensity and low commitments toward equity contribution in BOT projects would be better placed to manage the risks that characterise the current environment.

Annexure

ICRA has outstanding ratings on over 120 entities in the construction sector. Exhibit 12 provides the category-wise distribution of ratings[6] .

Entities rated BBB and above typically demonstrate healthy order books with lower concentration risks, scale benefits, superior profitability and debt servicing indicators, lower working capital intensities with access to funding in case of exigencies.

Exhibit 12: Category-Wise Distribution of ICRA-rated Construction Companies



List of Construction Companies with ICRA-Assigned Ratings Outstanding

Sr. No	Company	Long-Term Rating	Outlook	Short-Term Rating
1	Abir Infrastructure Private Limited	[ICRA]BBB	Stable	
2	Afcons Infrastructure Limited	[ICRA]AA	Stable	[ICRA]A1+
3	Agrawal Infrabuild Private Limited	[ICRA]BBB-	Stable	[ICRA]A3
4	Anjara Infrastructure Private Limited	[ICRA]BB	Stable	
5	Anil Construction Company	[ICRA]BB+	Stable	[ICRA]A4+
6	Anilkumar Construction Company	[ICRA]D		
7	Aparna Infra Private Limited	[ICRA]BB+	Stable	
8	Apex Construction Company	[ICRA]BB+	Stable	[ICRA]A4+
9	Armstrong (India) Constructions	[ICRA]BB-	Stable	[ICRA]A4
10	Ashwini Infradevelopments Private Limited	[ICRA]BBB-	Stable	
11	Ayyappa Infra Projects Private Limited	[ICRA]BBB-	Stable	[ICRA]A3
12	B.P.Sangle Constructions Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
13	Balajee Infratech and Construction Private Limited	[ICRA]BBB-	Stable	[ICRA]A3
14	Bansal Construction Works	[ICRA]BB+	Stable	[ICRA]A4+
15	Bekem Infra Projects Private Limited	[ICRA]BBB+	Stable	
16	Bhavya Constructions Private Limited	[ICRA]B		
17	Bholasingh Jaiprakash Construction Limited	[ICRA]D		
18	Bitcon India Infrastructure Developers Private Limited	[ICRA]BB+	Stable	
19	Brahmaputra Infraprojects Limited	[ICRA]BBB-	Stable	
20	Brahmaputra Infrastructure Limited	[ICRA]BBB	Stable	[ICRA]A3+
21	BPR Infrastructure Private Limited	[ICRA]BBB-	Stable	
22	BSCPL Infrastructure Limited	[ICRA]A	Stable	[ICRA]A1
23	BSR Infratech India Limited	[ICRA]BB+	Stable	
24	BVSR Constructions Private Limited	[ICRA]BBB-	Stable	[ICRA]A3
25	Coastal Marine Construction & Engineering Limited	[ICRA]A	Stable	[ICRA]A1
26	Consolidated Construction Consortium Limited	[ICRA]A	Stable	[ICRA]A1
27	CS Construction Company Private Limited	[ICRA]BBB-	Stable	
28	D.S. Contractors Private Limited	[ICRA]BB	Stable	[ICRA]A4
29	Digvijay Construction Company	[ICRA]BB	Stable	[ICRA]A4

[6] As of December 16, 2011

30	Dilip Buildcon Private Limited	[ICRA]BBB	Stable	
31	Durga Construction Company	[ICRA]BB	Stable	[ICRA]A4
32	Durha Constructions Private Limited	[ICRA]BBB+	Stable	
33	East Coast Constructions & Industries Limited	[ICRA]BBB-	Stable	[ICRA]A3
34	Ferro-Concrete Construction (P) Limited	[ICRA]BBB	Stable	[ICRA]A3+
35	Gammon India Limited			[ICRA]A1+
36	Gautham Jahnavi Constructions Private Limited	[ICRA]B+		
37	Geekay Infrastructures	[ICRA]B+		
38	General Mechanical Works Private Limited	[ICRA]BBB-	Stable	[ICRA]A3
39	GRN Constructions Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
40	Gujarat Infraproject Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
41	Hariharan Foundations Private Limited	[ICRA]BBB-	Stable	[ICRA]A3
42	Harvins Constructions Private Limited	[ICRA]D		[ICRA]A5
43	HES Infra Private Limited	[ICRA]BB+	Stable	
44	Hi-Rise Infrastructures	[ICRA]B		[ICRA]A4
45	Highway Infrastructure Private Limited	[ICRA]BB	Stable	
46	Indu Projects Limited	[ICRA]BBB-	Stable	[ICRA]A3
47	Intercontinental Infrastructure Limited	[ICRA]BB+	Stable	[ICRA]A4+
48	ITD Cementation India Limited	[ICRA]BBB+	Stable	[ICRA]A2+
49	IVRCL Limited	[ICRA]A	Stable	[ICRA]A1
50	JKM Infra Projects Private Limited	[ICRA]BBB-	Stable	
51	JKS Construction Private Limited	[ICRA]BB	Stable	
52	JSR Constructions Private Limited	[ICRA]C		[ICRA]A4
53	Kamal Construction Company	[ICRA]BB	Stable	[ICRA]A4
54	Kanaka Infratech Limited	[ICRA]B+		[ICRA]A4
55	Kanwarji Construction Co.	[ICRA]BB+	Stable	[ICRA]A4+
56	Keti-T Construction (India) Limited	[ICRA]BB	Stable	[ICRA]A4
57	Kiran Infra Engineers Limited	[ICRA]BB+	Stable	[ICRA]A4+
58	KGS Milestone Constructions Limited	[ICRA]BB+	Stable	[ICRA]A4+
59	KMC Construction Limited	[ICRA]C		
60	KRR Infra Projects Private Limited	[ICRA]BBB-	Stable	
61	KSL Constructions Private Limited	[ICRA]B-		[ICRA]A4
62	Lall Construction Company	[ICRA]BB+	Stable	[ICRA]A4+
63	Lancy Constructions	[ICRA]B+		[ICRA]A4
64	Larsen & Toubro Limited	[ICRA]AAA	Stable	
65	M S Khurana Engineering Limited	[ICRA]BBB+	Stable	[ICRA]A2+
66	Mackintosh Burn Limited	[ICRA]BBB+	Stable	[ICRA]A2+
67	Madhucon Projects Limited	[ICRA]A+	Stable	[ICRA]A1
68	Mahalakshmi Infraprojects Limited	[ICRA]BBB+	Stable	[ICRA]A2
69	Malani Constructions Co.	[ICRA]BB+	Stable	[ICRA]A4+
70	MCS Constructions Private Limited	[ICRA]BB-	Stable	
71	Multiurban Infra Services Private Limited	[ICRA]B		
72	Navayuga Engineering Company Limited	[ICRA]A	Stable	[ICRA]A1
73	Navdeep Construction Company	[ICRA]BB	Stable	
74	Neev Infrastructure Private Limited	[ICRA]BBB	Stable	[ICRA]A2
75	Neo Structo Construction Limited	[ICRA]BBB+	Stable	[ICRA]A2
76	Onshore Construction Company Private Limited	[ICRA]BBB+	Stable	[ICRA]A2+
77	Orient Constructions Private Limited	[ICRA]BB+	Stable	[ICRA]A4+

78	PGM Infrastructures Private Limited	[ICRA]BB	Stable	[ICRA]A4
79	Pratibha Constructions Engineers & Contractors (India) Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
80	Priyanka Constructions (Baroda) Private Limited	[ICRA]BB-	Stable	[ICRA]A4
81	Progressive Civil Construction Co. Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
82	Quality Heightcon Private Limited (erstwhile Quality Construction Company)	[ICRA]BB+	Stable	[ICRA]A4+
83	R G Buildwell Engineers Limited	[ICRA]BB+	Stable	[ICRA]A4+
84	Radha Construction Co	[ICRA]BB	Stable	[ICRA]A4
85	Raj Buildcon Construction Limited	[ICRA]BB+	Stable	[ICRA]A4+
86	Raj Infrastructure Development (India) Private Limited	[ICRA]BB+	Stable	
87	Ram Kripal Singh Construction Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
88	Raus Infras Limited (erstwhile Sharma Constructions)	[ICRA]BB-	Stable	
89	Reddy Veeranna Constructions Private Limited	[ICRA]BB	Stable	[ICRA]A4
90	RMS Construction Private Limited			[ICRA]A3
91	Roman Tarmat Limited	[ICRA]D		[ICRA]D
92	RR Constructions and Infrastructure India Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
93	Sagar Infra Rail International Limited	[ICRA]B+		[ICRA]A4
94	Sai Pavani Construction India Private Limited	[ICRA]B+		[ICRA]A4
95	Saket Infraprojects Limited	[ICRA]BB-	Stable	
96	Sangani Infrastructure India Private Limited	[ICRA]BB+	Stable	
97	Shapoorji Pallonji & Company Limited	[ICRA]AA+	Stable	[ICRA]A1+
98	Shravanraj Constructions Private Limited	[ICRA]B+		[ICRA]A4
99	Shreejikrupa Buildcon Limited	[ICRA]BB	Stable	[ICRA]A4
100	Sew Engineering (India) Private Limited	[ICRA]BBB+	Stable	[ICRA]A2+
101	Sidharth Construction & Trading Private Limited			[ICRA]A3
102	Soma Enterprises Limited	[ICRA]BBB-	Stable	[ICRA]A3
103	Sri KPR Infra & Projects Limited	[ICRA]BB+	Stable	[ICRA]A4+
104	Sri Srinivasa Constructions Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
105	Srishaila Constructions Private Limited	[ICRA]BBB-	Stable	
106	SRK Construction and Projects Private Limited	[ICRA]BBB-	Stable	[ICRA]A3
107	Sudhir Construction	[ICRA]B+		[ICRA]A4
108	Sun Nirman Infrastructure Private Limited	[ICRA]BBB-	Stable	[ICRA]A3
109	Suprada Construction Company	[ICRA]B+		[ICRA]A4
110	Surya Construction Company	[ICRA]B+		
111	SVEC Constructions Limited	[ICRA]BB+	Stable	[ICRA]A4+
112	Thakur Infraprojects Private Limited	[ICRA]BBB-	Stable	[ICRA]A3
113	Tirupati Buildcon Private Limited	[ICRA]BBB-	Stable	
114	TNR Infrastructures Limited	[ICRA]BBB-	Stable	
115	Tristar Global Infrastructure Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
116	Uan Max Infra Limited	[ICRA]B-		
117	Udit Infraworld Private Limited	[ICRA]BB+	Stable	[ICRA]A4+
118	Vijai Infrastructure Limited	[ICRA]BBB+	Stable	[ICRA]A2+
119	Vijay Nirman Company Private Limited	[ICRA]BBB+	Stable	[ICRA]A2+
120	Vijeta Projects & Infrastructure Limited	[ICRA]BB+	Stable	[ICRA]A4+
121	Vijmohan Construction Private Limited	[ICRA]BB-	Stable	[ICRA]A4
122	Vikram Infrastructure Company	[ICRA]BB	Stable	[ICRA]A4
123	Vyshnavi Infrastructure and Concrete Products	[ICRA]BB	Stable	

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