



RR Constructions and Infrastructure (I) Private Limited

Instrument	Amount	Ratings Action
	(Rs. Crore)	<i>December 2014</i>
Fund Based Limits	26.00 (enhanced from 21.00)	[ICRA]BB- upgraded
Unallocated Limits	1.00	[ICRA]BB- upgraded
Non-Fund Based Limits	48.00	[ICRA]A4 re-affirmed

ICRA has upgraded the long term rating assigned to the Rs.26.00 crore (enhanced from 21 crore) fund based limit and Rs 1.00 crore Unallocated limit of RR Construction and Infrastructure India Private Limited (RRCIPL) from [ICRA]B (Pronounced as ICRA B) to [ICRA]BB- (Pronounced as ICRA Double B Minus). ICRA has reaffirmed the short term rating assigned to the Rs.48 crore non-fund based limits of the company at [ICRA]A4 (Pronounced as ICRA A Four). The outlook on the long term rating is stable..

The rating revision positively factors in the healthy growth of 18.12% in the entity's operating income from 132.55 crore in FY13 to 156.57 crore in FY14, improved capital structure as evidenced by gearing of 0.51x as on 31st March 2014 against 0.66x as on 31st March, 2013 and healthy coverage indicators as reflected in interest coverage of 4.32x and NCA/Total Debt of 37.62% for FY14. The rating also favourably factors in healthy unexecuted order book of 382 crore, as on October 1, 2014 which is 2.44 times of FY14 OI providing visibility to revenue in medium term. This rating also takes into consideration long track record of two decades of the promoters in construction sector.

The rating, however, is constrained on account of the company's stretched liquidity position due to high amount of receivables which also resulted in high utilisation of the fund based limits. The rating also factors in delay in certain major contracts due to land acquisition problem, approval issues and non availability of funds with the government which has negatively affected the average pace of the project execution. The rating is also constrained on account of moderate scale of operations of the company which limits its ability to independently bid for larger projects.

Going forward, ability of the company to execute current orders in a timely manner and manage the rising working capital requirement would be key sensitivities.

Company Profile

RR Constructions and Infrastructure India Private Limited (RRCIPL) was started by Mr.V.Mani Raju and Mr. P.Ravi Sankar. The company is based at Chennai and was setup as a partnership firm in 1994 and was subsequently converted into a private limited company on 5th June 2007.

RRCIPL executes construction projects which spans into areas like Bridges, Roads, Irrigation works, Tunnel and Canal excavation in Hydro Power projects. The scope of work executed in the past few years includes canal and tunnel lining work, mining work, tunnel and canal excavation work, concrete works and roads, water supply and drainage works. The company has executed projects for both government and private clients.

Recent results

As per provisional financials for H1FY15, the company reported operating profit of Rs 8.85 crore on operating income of Rs 76.67 crore as compared to operating profit of Rs 20.11 crore on operating income of Rs 156.57 crore for FY14.

December 2014

* 100 Lakh = 1 crore = 10 million.

2 For complete rating scale and definitions please refer to ICRA's website www.icra.in or other ICRA Rating Publications



For further details please contact:

Analyst Contact:

Mr. K.Ravichandran, (Tel. No. +91-44-45964301)
ravichandran@icraindia.com

Relationship Contact:

Mr. Jayanta Chatterjee, (Tel. No. +91-80-43326401/ 098 450 22459)
jayantac@icraindia.com

© Copyright, 2014, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**Mobile: **9871221122**Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**Mobile: **9821086490**Email: shivakumar@icraindia.com

1802, 18th Floor, Tower 3,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone, Mumbai 400013,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**Mobile: **+91 9903394664**Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**Mobile: **989986490**Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-
79-25569231

Pune**Mr. L. Shivakumar**Mobile: **989986490**Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills
Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

Hyderabad**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B, Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500