

Intercontinental Consultants & Technocrats Private Limited

	Amount	Rating Action August 2016
Long Term Fund Based Limits	Rs 42.0 crore (PY:Rs 35.0 crore)	[ICRA]A+ (Stable) reaffirmed
Long Term Non Fund Based Limits	Rs 93.0 crore (PY: Rs 100.0 crore)	[ICRA]A+ (Stable) reaffirmed
Short Term Fund Based Limits (Sub-limit of Long Term Fund Based Limits)	(Rs 25.0 crore)	[ICRA]A1+ reaffirmed
Short Term Non Fund Based Limits	Rs 3.0 crore	[ICRA]A1+ reaffirmed
Total	Rs 138.0 crore	

The ratings assigned to Rs 138.0 crore¹ bank facilities of Intercontinental Consultants and Technocrats Private Limited ('ICT' or 'the company') have been reaffirmed at [ICRA]A+/[ICRA]A1+ (Pronounced ICRA A plus/ICRA A one plus)². The outlook on the rating is "Stable".

The reaffirmation of the assigned ratings continues to factor in the competitive advantage enjoyed by ICT in an otherwise fragmented industry given its proven track record and established presence in consultancy services for infrastructure domain and reputed client base. The ratings also take into consideration the favourable financial profile of the company with a gearing of 0.6 times as on March 31, 2016 supported by healthy capitalization levels and moderate coverage indicators supported by improvement in profitability metrics.

The ratings are, however, constrained by the company's limited financial flexibility evident from high level of utilization of fund based working capital limits attributable to build up of receivables and slow recovery therein due to extension of time on certain international projects. Nonetheless, ICRA draws comfort from low credit risk involved with respect to such receivables given the reputed client profile of the company comprising government agencies and projects funded by organizations such as the World Bank and Asian Development Bank.

Business diversification initiatives towards higher margin international projects and segments including urban development are a positive. ICRA takes note of the fact that higher contribution from international projects exposes the company to risks associated with volatility in forex rates; nonetheless, this risk is mitigated to some extent by the natural hedge from payments to be made to international associates in the local currency.

Going forward, ICT's ability to improve its collection efficiency, as revenues from international projects scale up further, and also maintain its profitability metrics and capital structure will remain the key rating sensitivity.

Company Profile

Intercontinental Consultants and Technocrats Private Limited (ICT) is a consulting organization, promoted by Mr. K. K. Kapila and his family, specializing in highways, structures, airports, urban and regional infrastructure development, water resources development, traffic & transportation, ports & tourism, institutional strengthening and capacity building, and, socio-economic and environmental impact assessment. The company is one of the leading consultants in the highway and roads segment with good track record in terms of project delivery in the past. It has worked on a large number of domestic assignments for National Highway Authority of India (NHAI), various state highway authorities as well as on overseas assignments in a number of countries including Ethiopia, Tanzania, Kenya, Bangladesh, Mongolia and Vietnam.

Recent Results

As per audited results for FY2016, ICT reported a Profit after Tax (PAT) of Rs 11.4 crore on an Operating Income (OI) of Rs 263.6 crore.

August 2016

¹100 lakh = 1 crore = 10 million

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



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