



Roman Tarmat Limited

Rating History

	Amount (Rs. In crore)	Rating Outstanding	Previous Ratings	
		May 2011	May 2010	January 2009
Rated on long-term scale				
Fund Based – Cash Credit	30.0	LB+	LBB+	LBBB
Non Fund Based – Bank Guarantee	100.0	LB+	LBB+	LBBB
Rated on short-term scale				
Non Fund Based -Letter of Credit	5.0	A4	A4+	A2

ICRA has downgraded the long-term ratings assigned to the Rs. 30.0 crore fund-based limit and Rs. 100.0 crore non-fund based limit of Roman Tarmat Limited (RTL) from LBB+ (pronounced L double B Plus) to LB+ (pronounced L B Plus)[†]. ICRA has also downgraded short-term rating assigned to the Rs. 5.0 crore of non-fund based limit from A4+ (pronounced A four Plus) to A4 (pronounced A four) of RTL[†].

The ratings revision takes into account certain delays by the company in meeting obligations towards non-fund based facilities availed in the past and more than 50% decline in the Operating Income (OI) to Rs. 46.4 crore in the first nine months of FY11 ending 31st December 2010 (9MFY11)^{*} from Rs. 93.6 crore in the corresponding 9 months of FY10. The company's PAT (Profit after tax) declined by 91.5% to 0.24 crore from 2.85 crore in the same period on account of lower turnover and higher interest cost. Further, the revision in the ratings takes into account the sharp rise in working capital intensity (NWC/OI) to 166.4% in the first 6 months of FY11 ending 30th September 2010 (6MFY11) from 85.06% in FY10 due to increase in debtor days and inventory days resulting in stretched liquidity of the company. Nevertheless, the ratings continue to draw comfort from RTL's established track record in the domestic construction industry; experienced management team; improvement in the operating margins in 6MFY11 and relatively low gearing of 0.37 times as of 30th September 2010. The rating revision is on the basis of best available information in the public domain.

Recent Results

As per provisional figures for 9MFY11, RTL reported an OI of Rs. 46.48 crore and PAT of Rs. 0.24 crore.

Company Profile

Roman Tarmat Limited (RTL) was established in 1986 as Jerry Varghese Constructions Private Limited by Mr. Jerry Varghese and his family members. It was converted into public limited company in December 2005. Further, the company went in for a public issue of 0.51 billion equity shares in June 2007. As of 31st December 2010, the promoters and promoter held companies hold 62.4% stake in RTL with the remaining share held by public. In FY10, the promoters have increased their stake in RTL from 60.7% to 62.4% by buying back ~0.19 million equity shares from the public in the secondary market. RTL is a construction company, which undertakes projects in three broad segments of airside works, roads & highways.

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

^{*} The results of 9MFY11, 6MFY11 and the corresponding period of FY10 are unaudited.



Key Financial Indicators

		6FY11 (Provisional)	FY10	FY09
Operating Income (OI)	Rs crore	32.65	121.74	152.95
OPBDIT	Rs crore	6.06	14.86	16.09
Profit After Tax (PAT)	Rs crore	0.03	2.30	2.24
Net Cash Accruals	Rs crore	2.59	7.02	6.12
Total Debt	Rs crore	39.94	36.37	20.72
Tangible Net worth	Rs crore	108.93	108.32	106.32
OPBDIT/OI	%	18.55%	12.21%	10.52%
PAT/OI	%	0.09%	1.89%	1.47%
PBIT/Average (TD+TNW+DTL)	%	4.68%	6.61%	9.39%
Total Gearing	times	0.37	0.34	0.19
OPBDIT/Interest & Finance Charges	times	1.79	2.70	1.97
(GCF+ Interest)/Interest	times	0.25	(1.42)	(4.26)
NCA/Total Debt	%	13%	19%	30%
Total Debt/OPBDITA	times	3.30	2.45	1.29
Debtor days	days	145.18	77.38	87.76
Inventory days	days	335.62	144.86	85.22
Creditor days	days	99.00	31.08	46.38
NWC/OI	%	166.45%	85.06%	53.80%

OPBDITA: Operating Profit before Depreciation, Interest, Tax and Amortisation;
 PBIT: Profit before Interest and Tax; DTL: Deferred Tax Liability; CWIP: Capital Work-in-Progress;
 NCA: Net Cash Accruals; NWC: Net Working Capital

Source: NSE and BSE

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