August 18, 2026

R V R Projects Private Limited: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Working capital facilities	360.00	[ICRA]AA- (Stable); assigned	RBI
Long-term/Short-term – Non-Fund-based - Working capital facilities	2,595.00	[ICRA]AA- (Stable)/[ICRA]A1+; assigned	RBI
Total	**2,955.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The assigned ratings favourably factor in RVR Projects Private Limited's (RVR) demonstrated track record of executing engineering, procurement and construction (EPC) projects across multiple segments (defence, irrigation, road, tunnel, among others), its reasonably large scale of operations with revenue of Rs. 4,159 crore in FY2026 and robust order book of Rs. 15,348 crore (as of June 2026) providing healthy revenue visibility over the medium term, along with its strong financial profile with healthy profitability (operating margins of 18.5%) and low leverage (TOL/TNW of 0.8 times as of March 2026). Moreover, RVR had unencumbered cash and cash equivalent of Rs. 987 crore as on March 31, 2026 along with over Rs. 1,000 crore buffer in its non-fund based limits, which further supports its credit profile.

The order book comprises projects across roads, irrigation and water supply, layout development, buildings and defence infrastructure segments and is supported by projects from Andhra Pradesh Capital Region Development Authority (APCRDA), Amaravati Development Corporation Limited (ADCL), Maharashtra State Road Development Corporation (MSRDC), Narmada Valley Development Authority (NVDA) and Defence Research and Development Organisation (DRDO), among others. Its asset-light EPC model, coupled with established engineering and project management capabilities, has aided timely project execution and operational efficiency.

The long-term rating is, however, constrained by the company's exposure to project execution risks, with around 38% of the unexecuted order book comprising projects that are at the nascent stages of execution, including multiple Amaravati Capital Region development projects and a Jal Jeevan Mission (JJM) project in Andhra Pradesh. While these projects provide healthy revenue visibility, they expose the company to mobilisation and execution-related risks, including potential delays in achieving the targeted execution ramp-up. The ratings are further constrained by client and geographical concentration risks, with the top three clients accounting for nearly 79% of the outstanding order book as on June 30, 2026. Further, projects located in Andhra Pradesh and Maharashtra together account for around 81% of the pending order book, while roads, irrigation and layout development projects constitute a significant share of the outstanding order book.

The credit profile remains exposed to the inherent risks associated with the construction sector, including project execution delays, volatility in input material prices, sizable contingent liability in the form of non-fund based exposure, dependence on timely payments from clients and working capital intensity. Nevertheless, comfort is derived from the company's demonstrated execution track record and the absence of any instances of guarantee invocation in the past. The liquidity position remains comfortable, supported by healthy cash accruals, limited capex plans and no major debt repayment obligation. However, the credit profile is exposed to the company's sizeable investment plans in group entities having interests in pharmaceuticals, solar EPC and real estate businesses. Given this, any major investments in group entities resulting in a material deterioration in the liquidity position remains a key rating monitorable.

The ratings note RVR's dependence on partnerships and subcontracting arrangements with established players such as Navayuga Engineering Company Limited (NECL) for securing projects in roads and tunnels segment, to meet the technical qualification eligibility. Nevertheless, with the successful execution of Pune-Mumbai connecting link project, and healthy progress in Pune Ring Road works, RVR's technical credentials and bidding qualifications have significantly strengthened and upon completion of the ongoing works, the company is likely to achieve the requisite eligibility criteria for independently participating in large road EPC tenders, thereby reducing its dependence on subcontracting arrangements over the medium term, which provides comfort.

The ratings consider the intense competition and cyclicality inherent in the construction industry, which could result in volatility in order inflows and pressure on margins. However, the risks are partially mitigated by RVR's diversified presence across infrastructure segments, demonstrated execution capabilities, and empanelment with DRDO, which support its competitive positioning and ability to secure orders from reputed clients. The company has no plans to invest in developmental infrastructure projects necessitating equity commitments, and the stance is likely to be maintained going forward as well. Going forward, timely execution of recently awarded projects, diversification of the order book across clients and geographies, a gradual reduction in dependence on partnership and subcontracting arrangements for securing new orders, and the maintenance of healthy profitability levels, leverage and coverage metrics, along with adequate liquidity position will remain the key rating monitorables.

The Stable outlook reflects ICRA's expectation that RVR will benefit from its sizeable order book position, healthy execution momentum, comfortable financial risk profile and sustenance of adequate liquidity position over the medium term.

Key rating drivers and their description

Credit strengths

Healthy order book position providing medium-term revenue visibility – RVR's unexecuted order book stood at Rs. 15,348 crore as on June 30, 2026, equivalent to 3.7 times of its FY2026 operating income, providing healthy medium-term revenue visibility, with an average execution period of 3-4 years. The order book comprises projects across roads (46%), irrigation and water supply (33%), layout development (16%), buildings and defence infrastructure (3%), with projects from clients including APCRDA and ADCL (Andhra Pradesh Capital Region works), MSRDC Pune Ring Road works, Chinki-Boras irrigation project under NVDA and various DRDO works. Given that most of the projects are funded by multilateral agencies and the Central Government, payments are likely to be received in a timely manner, resulting in low counterparty credit risk.

Established track record in executing EPC contracts – RVR's promoters have an established track record of over four decades in the construction sector and has executed projects for multiple central and state government departments, DRDO and PSUs among others. Its established relationships with government agencies and demonstrated track record across infrastructure segments support its competitive position and order inflows. Further, the company's asset-light EPC business model, supported by its strong project management and engineering capabilities, enables efficient execution of projects across diverse infrastructure segments.

Strong revenue growth and healthy operating margins – RVR witnessed strong YoY growth in operating income by 92% to Rs. 4,159 crore in FY2026 compared to Rs. 2,166 crore in FY2025 and Rs. 1,934 crore in FY2024, supported by increased order addition and healthy execution across road projects, Amaravati Capital Region works and Chinki-Boras irrigation project among others. The revenue momentum is expected to sustain in the medium term on the back of a healthy order book position and improved execution prospects. The operating profitability remained robust with an OPBITDA margin of around 18.5% in FY2026 and 17.9% in FY2025, reflecting efficient project execution and operating leverage benefits.

Comfortable financial risk profile – RVR's financial risk profile remains comfortable, as reflected in CAGR of 34% in operating income over FY2022-FY2026, stable operating margins of 17-19% and a conservative capital structure. Despite a marginal increase in leverage, as reflected by TOL/TNW of 0.8 times as on March 31, 2026 from 0.5 times as on March 31, 2025, owing to availing of mobilisation advances, the leverage levels remain comfortable. The company's financial profile is further supported by a strong net worth of Rs. 2,361 crore as on March 31, 2026, negligible debt levels and healthy debt protection metrics, with interest coverage ratio of 7.5 times in FY2026. ICRA expects the credit profile to remain comfortable over the medium term, supported by healthy revenue visibility from the sizeable order book, an improving segment mix and limited incremental reliance on external borrowings.

Credit challenges

Nascent stages of projects exposing the company to execution risk – The company is exposed to project execution risks, given that around 38% of the unexecuted order book comprised projects at nascent stages of execution as on June 30, 2026, with physical progress of less than 15%. These include multiple projects awarded by APCRDA and ADCL under Amaravati Capital Region development works, and a JJM project in Chittoor, Andhra Pradesh. While these projects provide healthy medium-term revenue visibility, they expose the company to mobilisation, execution and project implementation risks, including potential delays in achieving the targeted execution ramp-up. Timely execution of these projects will remain key monitorable from the credit perspective.

Order book exposed to segment, client and geographical concentration; moderate working capital intensity – RVR's unexecuted order book exhibits concentration across limited number of clients, geographies and segments. As on June 30, 2026, the top three clients accounted for nearly 79% of the outstanding order book, while projects in Andhra Pradesh (55%) and Maharashtra (26%) together constituted around 81% of the pending works. Further, roads, irrigation and layout development projects collectively accounted for around 95% of the order book. The ratings are constrained by the company's working capital intensive nature of operations, despite an improvement in FY2026. While the NWC/OI reduced in FY2026, primarily due to availing of sizeable mobilisation advances, and the same is expected to increase in FY2027, given the run-down of these advances as execution progresses. Going forward, improvement in the diversification of the order book across clients and geographies, while maintaining healthy execution and profitability metrics along with low working capital intensity, will remain a key rating monitorable.

Risks associated with construction sector including intense competition and cyclicality in the sector and sizeable non-fund based exposure – RVR is exposed to inherent risks associated with the construction sector, including project execution delays, volatility in input material prices, mobilisation of manpower and equipment, and timely receipt of payments from clients. The company is exposed to the cyclicality inherent in the construction industry, intense competition in the tender-based contract award system and presence of multiple players in the road segment, resulting in risk of volatility in order inflows, revenues and pressure on profit margins. Nonetheless, the company's diversified presence across road, irrigation, water and building segments, along with its demonstrated execution capabilities, and empanelment with DRDO, support its competitive positioning and provides some cushion against volatility in order inflows. Additionally, RVR has sizeable contingent liabilities in the form of bank guarantees and surety bonds aggregating to around Rs. 2,700 crore as on June 30, 2026, primarily towards performance guarantees, mobilisation advances and security deposits. Nevertheless, ICRA derives comfort from the company's established execution track record and the absence of any guarantee invocations in the past.

Liquidity position: Adequate

RVR's liquidity position is adequate, driven by unencumbered cash balances of Rs. 987 crore as on March 31, 2026. The liquidity position is supported by healthy cash accruals and nil debt repayment obligations and is likely to be adequate to fund the incremental working capital requirements, modest capex requirements, and investments in group entities (of around Rs. 150 crore) in FY2027. Further, the company had unutilised fund-based working capital limits of Rs. 360 crore as on March 31, 2026.

Rating sensitivities

Positive factors – The ratings could be upgraded in case of material improvement in the scale of operations and improved diversification in the order book across geographies and clients, resulting in lower concentration risk, while maintaining healthy profitability margins, financial risk profile and liquidity position on a sustained basis.

Negative factors – Pressure on the ratings could arise in case of significant decline in scale of operations, order book position, or any increase in debt-funded capex/investments in group entities resulting in a deterioration in the liquidity position, increase in leverage, and/or weakening of debt protection metrics. A specific credit metric for a downgrade is interest coverage falling below 6.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

R V R Projects Private Limited is a Hyderabad-based infrastructure and construction company incorporated in May 1999 as a private limited entity. The company primarily undertakes engineering, procurement, and construction (EPC) contracts in civil construction activities, including development of buildings and execution of large-scale infrastructure projects across diverse segments such as transportation infrastructure, irrigation, water supply projects, tunnels, and industrial structures, leveraging its established experience in the construction domain.

Key financial indicators

RVR (Standalone)	FY2025	FY2026*
Operating income	2,166.2	4,159.1
PAT	283.7	522.1
OPBDIT/OI	17.9%	18.5%
PAT/OI	13.1%	12.6%
Total outside liabilities/Tangible net worth (times)	0.5	0.8
Total debt/OPBDIT (times)	0.8	0.0
Interest coverage (times)	7.8	7.5

*Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore*
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Aug 18, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Working capital facilities	Long term	360.00	[ICRA]AA- (Stable)	-	-	-	-	-	-
Non-fund based – Working capital facilities	Long-term/ Short-term	2,595.00	[ICRA]AA- (Stable)/ [ICRA]A1+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Working capital facilities	Simple
Long-term/Short-term – Non-fund based – Working capital facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
NA	**Fund-based – Working capital facilities**	NA	NA	NA	360.00	[ICRA]AA- (Stable)	RBI
NA	**Non-fund based – Working capital facilities**	NA	NA	NA	2,595.00	[ICRA]AA- (Stable)/ [ICRA]A1+	RBI

Source: Company

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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