



Press Release

Raghava Constructions (India) Private Limited [RCIPL]

March 22, 2021

Ratings

Sl. No.	Facilities	Amount (INR crore)	Rating	Rating Action
1	Long Term Fund Based Facility - Cash Credit	100.00**	IVR BB+ ISSUER NOT COOPERATING* (IVR Double B Plus ISSUER NOT COOPERATING)	Revised from IVR BBB-stable Outlook (IVR Triple B Minus with Stable Outlook) and moved to ISSUER NOT COOPERATING Category
2	Long Term/Short Term Non-Fund Based Facility - Bank Guarantee	584.00***	IVR BB+/ ISSUER NOT COOPERATING* (IVR Double B Plus ISSUER NOT COOPERATING)/IVR A4+(IVR A Four Plus ISSUER NOT COOPERATING)	Revised from IVR BBB-stable Outlook (IVR Triple B Minus with Stable Outlook) and moved to ISSUER NOT COOPERATING Category & IVR A3 (IVR A Three) and moved to ISSUER NOT COOPERATING Category
3	Short Term Non-Fund Based Facility – Letter of Credit	66.00	IVR A4+ ISSUER NOT COOPERATING* (IVR A Four Plus ISSUER NOT COOPERATING)	Revised from IVR A3 (IVR A Three) and moved to ISSUER NOT COOPERATING Category
	Total	750.00		

*Issuer did not cooperate; based on best available information.

**Includes INR 45.00 Crore of proposed limit.

***Includes INR 234.00 Crore of proposed limit.

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Raghava Constructions (India) Private Limited and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



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The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide emails December 18th, 2020; January 01st, 2021, February 04th, 2021 and February 25th, 2021 and telephonic follow ups. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the bank loan ratings aggregating to INR750.00 crore of Raghava Constructions (India) Private Limited (RCIPL) shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+; Issuer Not Co-operating; and IVR A4+; Issuer Not Co-operating based on best available information.

Analytical Approach

Standalone

Applicable Criteria

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

RCIPL started as a Sole Proprietary concern in 1991 and then reconstituted as a Partnership firm in 2003. The Partnership firm reconstituted as private limited company with a name Raghava Constructions (India) Private Limited on 12/12/2019. The entire assets & liabilities of M/s Raghava Constructions has transferred to private limited company on a going concern



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basis. The Company is registered as a Special class contractor with irrigation department of Government of Telangana.

Financials (Standalone)

(INR Crore)

For the year ended* / As on	31-03-18 (Audited)	31-03-19 (Audited)
Total Operating Income	1082.09	1364.32
EBITDA	96.92	135.63
PAT	111.27	118.68
Total Debt	66.97	87.08
Tangible Net worth	246.07	303.87
EBIDTA Margin (%)	8.96	9.94
PAT Margin (%)	9.98	8.69
Overall Gearing ratio	0.27	0.29

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: N.A.

Any other information: Nil

Rating History for last three years:

Sl. No.	Name of Instrument/Facility	Current Rating (Year: 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Rating assigned in 2019-20, (January 23, 2020)	Rating assigned in 2018-19	Rating assigned in 2017-18
1.	Long Term Fund Based Facility - Cash Credit	Long Term	100.00	IVR BB+; Issuer Not Co-operating	IVR BBB-/Stable Outlook	--	--
2.	Short Term Non-Fund Based Facility – Letter of Credit	Short Term	66.00	IVR A4+; Issuer Not Co-operating	IVR A3	--	--



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3.	Long Term/Short Term Non-Fund Based Facility - Bank Guarantee	Long Term/Short Term	584.00	IVR BB+; Issuer Not Co-operating/ IVR A4+; Issuer Not Co-operating	IVR BBB - Stable Outlook/ IVR A3		
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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

Name and Contact Details of the Rating Analyst:

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long-Term-Fund Based -Cash Credit	--	--	--	100.00	IVR BB+; ISSUER NOT COOPERATING*
Short-Term-Non-Fund Based – Letter of Credit	--	--	--	66.00	IVR A4+; ISSUER NOT COOPERATING*
Long-Term/Short Term-Non-Fund Based Facility - Bank Guarantee	--	--	--	584.00	IVR BB+; ISSUER NOT COOPERATING*/ IVR A4+; ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information.*