



Press Release

Ravitej Projects (RP)

July 15, 2025

Ratings

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Cash Credit	60.00 (Enhanced from Rs.24 crore)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Rating Upgraded, Outlook revised from Negative to Stable and removed from Issuer Not Cooperating*	Simple
Long Term Bank Facilities – Equipment Loan	4.40 (Reduced from Rs. 7.00 crore)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Rating Upgraded, Outlook revised from Negative to Stable and removed from Issuer Not Cooperating*	Simple
Long Term Bank Facilities – ECLGS	0.64 crore (Reduced from 1.10 crore)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Rating Upgraded, Outlook revised from Negative to Stable and removed from Issuer Not Cooperating*	Simple
Long Term Bank Facilities – UGECL	0.00 (Reduced from 0.35 crore)	Withdrawn	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Withdrawn	Simple
Short Term Bank Facilities – Bank Guarantee	79.00 (Enhanced from Rs.24.00 crore)	IVR A3+ (IVR A Three Plus)	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; ISSUER NOT COOPERATING*)	Rating Upgraded, and removed from Issuer Not Cooperating*	Simple
Total	144.04 (Enhanced from Rs. 56.45 crore) (Rupees One Hundred Forty-Five Crore and Four Lakh Only)				

*Issuer did not cooperate; based on best available information



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Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has upgraded its rating assigned to the Bank facilities of Ravitej Projects (RP) and removed from INC. The rating upgrade takes into consideration the improved financials in FY25 (Prov.) (refers to period from April 01, 2024 – March 31, 2025).

Further, the rating continues to derive strength from experienced promoters and managerial staff with established track record of operations, healthy order book position providing medium term revenue visibility, stable business performance and working capital cycle. The rating is however constrained by geographical and customer concentration risk, tender driven nature of business with intense competition and constitution of the entity.

The outlook is stable in view of extensive experience of promoters, growing scale of operations with sustained profitability and healthy order book.

Infomerics has also withdrawn the outstanding ratings assigned to one of the Union Guaranteed Emergency Credit Line loan of RP. The above action has been taken at the request of RP and 'No Due Certificate' received from its bank confirming that the loan was fully paid. The rating is withdrawn in accordance with Infomerics' policy on withdrawal.

Key Rating Sensitivities:

Upward Factors

- Sustained improvement in the revenue thereby leading to improvement in profitability metrics.
- Timely execution of orders and timely realisation of receivables.

Downward Factors

- Decline in total operating income and profitability margins on account of reduced order flow.
- Elongation of the operating cycle leading to weakening of liquidity.
- Any delays in execution of orders and major debt funded capex impacting the capital structure and debt metrics.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters with established track record of operations

The firm possesses expertise in executing infrastructure, civil works, mining and stone crushing, as well as road projects, primarily on a subcontract basis. With a proven track record, the firm has successfully completed projects across Andhra Pradesh, Telangana, Sikkim, and Gujarat. The management's experience has played a key role in building and maintaining strong, long-term relationships with both customers and suppliers. The management is supported by the professional team of experienced and expertise staff.

Healthy order book position providing revenue visibility

The firm has a healthy unexecuted order book position Rs.1425.97 crore as of May 2025, which is about 3.85 times of its FY25 provisional revenues (i.e. Rs.370.15 crore). The firm focuses on undertaking irrigation works & hydro power projects. The orders are expected to be completed in next two to three years, indicating a satisfactory medium term revenue visibility. Timely execution of projects has ensured repeat orders from these clients.

Stable business performance and working capital cycle

Total operating income (TOI) has witnessed a growth on YOY basis on the back of increased flow of orders & scheduled execution of the orders. With growth in TOI, absolute profit levels have also improved. Moreover, the EBITDA margin and PAT margin continues to be satisfactory at 12.24% and 4.00% respectively. The current ratio, ISCR and DSCR have remained above unity consistently. The working capital cycle remained below 90 consistently. The operating cycle as on March 31, 2025, remained at 71 days as against 67 days as on March 31, 2024.



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Key Rating Weaknesses

Geographical and customer concentration risk

In FY25 Sikkim and Telangana contributed around 70.70% of the total revenues reflecting high geographical concentration risk. The order book of 81.33% is derived from Rithwik-HIPL Joint Venture, BVSR-SKR - HEC (JV), and Rithwik Projects Pvt Ltd, exposing it to customer concentration risk. The firm specializes in hydro and irrigation projects and has established long standing relationships with these clients thus assuring repeat orders. Further, any political and economic changes in these states may impact the projects under execution. Diversifying to various states would mitigate this risk to a certain extent.

Tender driven nature of business with intense competition

The firm receives the work contract from the clients who participates in the tender passed by the government for hydro power plant and irrigation construction related projects. Hence, the entire business prospects are highly dependent on the government. The business volume remains high in the years when there are government tenders and vice versa. The construction industry is highly fragmented in nature with presence of large number of unorganized players and a few large, organized players.

Constitution of the entity

RP, being a partnership firm, is exposed to inherent risk of partners' capital being withdrawn at the time of personal contingency and firm being dissolved upon the death/ retirement/ insolvency of the partners. Further, partnership entities have restricted access to external borrowing, as credit worthiness of partners would be the key factors affecting credit decision for the lenders.

Analytical Approach: Standalone.



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Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of Rating](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

Liquidity –Adequate

The GCA for FY25 stood adequate at Rs. 26.40 crore as against the debt repayment of Rs. 8.68 crore ensuring adequate liquidity cushion. The GCA for the projected period remained in the range of ~ Rs. 30 to 40 crores against the repayment of ~ Rs. 9 crore. The free cash/bank stood at 13.90 crore as on March 31, 2025. – with average CC utilisation of ~72% for 12 months ending May 2025.

About the Company

Ravitej Projects (RP) is a partnership firm constituted in 2015. The firm is into irrigation works, road construction & hydro power projects in Andhra Pradesh, Telangana, Sikkim, and Gujarat region. The firm acts as a subcontractor and receives its projects from private entities and govt. RP is a part of Ravitej group. The group is engaged in construction of highways, irrigation works, hydro power projects, infrastructural, civil works, mining & crushing of stone, and road projects. The firm's operations are managed by the promoter family.



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Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	330.26	370.15
EBITDA	34.89	45.30
PAT	10.68	14.81
Total Debt	77.43	97.51
Adjusted Tangible Net Worth	62.47	75.22
EBITDA Margin (%)	10.56	12.24
PAT Margin (%)	3.23	4.00
Overall Gearing Ratio (x)	1.24	1.30
Interest Coverage (x)	3.20	3.56

* Classification as per Infomerics' standards.

** Overall Gearing Ratio on adjusted TNW.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					Date (April 16, 2025)	Date	Date (March 06, 2024)
1.	Cash Credit	Long Term	60.00 (Enhanced from Rs.24.00 crore)	IVR BBB/Stable	IVR BB+/Negative; ISSUER NOT COOPERATING*	-	IVR BBB-/Stable
2.	UGECL	Long Term	0.00 (Reduced from Rs. 0.35 crore)	Withdrawn	IVR BB+/Negative; ISSUER NOT COOPERATING*	-	IVR BBB-/Stable
3.	Term Loan (Equipment Loan)	Long Term	4.40 (Reduced from Rs. 7.00 crore)	IVR BBB/Stable	IVR BB+/Negative; ISSUER NOT COOPERATING*	-	IVR BBB-/Stable



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					Date (April 16, 2025)	Date	Date (March 06, 2024)
4.	ECLGS	Long Term	0.64 (Reduced from RS.1.10 crore)	IVR BBB/Stable	IVR BB+/Negative; ISSUER NOT COOPERATING*	-	IVR BBB-/Stable
5.	Bank Guarantee	Short Term	79.00 (Enhanced from Rs. 24.00 crore)	IVR A3+	IVR A4+; ISSUER NOT COOPERATING*	-	IVR A3;

*Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) formerly known as Infomerics Valuation and Rating Pvt Ltd was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	Revolving	60.00 (Enhanced from Rs.24.00 crore)	IVR BBB/Stable
UGECL	-	-	-	October 2024	0.00 (Reduced from Rs. 0.35 crore)	Withdrawn
ECLGS	-	-	-	March 2027	0.64 (Reduced from RS.1.10 crore)	IVR BBB/Stable
Term Loan (Equipment Loan)	-	-	-	March 2027	4.40 (Reduced from Rs. 7.00 crore)	IVR BBB/Stable



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Bank Guarantee	-	-	-	-	79.00 (Enhanced from Rs. 24.00 crore)	IVR A3+
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Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Ravitej-Projects-15july25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.