



Press Release

Rithwik Projects Private Limited

June 16, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	490.85 (reduced from Rs. 537.81 crore)	IVR A-; Stable and Withdrawn (IVR Single A Minus with Stable outlook and simultaneously withdrawn)	IVR A-; Stable (IVR Single A Minus with Stable outlook)	Rating Reaffirmed and simultaneously Withdrawn	Simple
Short Term Bank Facilities	2010.07 (reduced from Rs.2098.57 crore)	IVR A1 and withdrawn (IVR A One and simultaneously withdrawn)	IVR A1 (IVR A One)	Rating Reaffirmed and simultaneously Withdrawn	Simple
Total	2500.92 (Rupees Two Thousand and Five Hundred Crore and Ninety-Two Lakh only)				

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

The reaffirmation in the ratings assigned to the bank facilities of Rithwik Projects Private Limited (RPPL) continues to derive strength from improvement in the scale of operation of the company and its satisfactory debt protection metrics in FY24 (FY refers to period from April 1 to March 31) along with strong order book of the company reflecting satisfactory near to medium-term revenue visibility. The ratings also consider RPPL's reputed clientele base with proven project execution capability under experienced management of the company. Further, the ratings also consider its satisfactory operational efficiency backed by owned fleet of equipment. However, these rating strengths continue to remain constrained by customer concentration risk, susceptibility of operating margin to volatile input prices, tender based nature of business with exposure to intense competition in the industry and working capital intensive nature of its operation.



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The stable outlook reflects expected stable business performance of the company based on increased government thrust on infrastructure and support from RPPL's experienced management.

Infomerics Ratings has simultaneously withdrawn the ratings assigned to the bank facilities of RPPL with immediate effect. The above action has been taken at the request of the company and No Objection Certificate (NOC) issued by the lenders of the facilities rated by Infomerics Ratings. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

Key Rating Sensitivities:

Upward Factors

- Growth in scale of operations with improvement in profitability on a sustained basis and consequent improvement in liquidity
- Sustenance of the capital structure with improvement in debt protection metrics
- Steady flow of orders & timely execution of the same on a sustained basis

Downward Factors

- Moderation in scale of operations and/or profitability impacting the liquidity profile on a sustained basis
- Moderation in the capital structure with moderation in the overall gearing to over 1x
- Elongation in working capital cycle with increase in working capital intensity

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced management**

RPPL is promoted by Mr. C.M. Rajesh who has a long-standing experience in the civil construction sector. He is at the helm of affairs of the company with about two decades of experience. Under the leadership of Mr. C. M. Rajesh the company has exhibited satisfactory growth over the years. The company has acquired strong engineering acumen in irrigation projects through its successful operations over the years.

- **Reputed clientele with proven project execution capability**

Over the years, the company has successfully completed many projects across the state for various medium to large government companies and departments. The company has major



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focus in executing Hydro Development Projects apart from Pumped Storage Power Projects [PSP] Dam, Tunnel making, Roads, Water Works and Mining etc. RPPL bids for tenders floated by various government entities. The repeat orders received from its clientele validate its construction capabilities. In order to manage the projects in a better way and to grow in a balanced way, the company handles limited number of projects at a time to ensure timely completion.

- **Majority of fleet of equipment is owned by RPPL, leading to operational efficiency**

RPPL has continuously added to its fleet of plant and machinery to complete the orders on time. The company has a large fleet of owned equipment including dumpers, tankers, crushers, transit mixers, loaders, semi-automatic and fully automatic jumbo drillers, etc.

- **Strong order book reflecting satisfactory near to medium-term revenue visibility**

The order book position of RPPL has stood at Rs.13502.84 crore as on December 31, 2024, with orders across thirty-three contracts which is about 4.17 times of its FY24 construction revenue (i.e.Rs.3240.80 crore).

- **Stable business performance marked by growth in scale of operation**

RPPL's (Consolidated) total operating income has improved by ~88% to Rs.3240.80 crore in FY24 against Rs.1720.67 crore in FY23 driven by timely completion and higher execution of order during the year. Driven by improvement in operating income, absolute EBITDA has increased from Rs.224.97 crore in FY23 to Rs.353.86 crore in FY24. However, the profit margins continue to remain comfortable though moderated. EBITDA margin has moderated from 13.07% in FY23 to 10.92% in FY24 due to execution of a few lower margin contract. Furthermore, PAT margin has also dampened in FY24 from 5.65% in FY23 to 4.73%. In H1FY25, the company (standalone) has achieved a revenue of ~Rs.1578.09 crore.

- **Satisfactory debt protection metrics in FY24**

Interest coverage ratio has improved and remained comfortable at 4.92x in FY24 (3.22x in FY23) on account of the increase in absolute EBITDA. Further, Total debt to EBITDA and Total debt to GCA also remains satisfactory at 1.37x and 2.09 years respectively as on March 31, 2024.

Key Rating Weaknesses

- **Exposure to customer concentration risk**



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RPPL is exposed to customer concentration risk as the major portion of the projects in the order books are from two customers. However, the company has adequate experience in order to execute projects in the state of Uttarakhand, Himachal Pradesh, Sikkim, Uttar Pradesh, Madhya Pradesh, Tamil Nadu, Bihar Maharashtra and Andhra Pradesh which provide a comfort.

- **Susceptibility of operating margin to volatile input prices**

Major raw materials used in civil construction activities are steel & cement and in road construction activities are stone, asphalt/bitumen and sand which are usually sourced from large players/dealers at proximate distances. The raw material & labour (including subcontracting) cost forms the majority chunk of the total cost of sales for the last three years. As the raw material prices & labour (including sub-contracting) cost are volatile in nature, the profitability of the company is subject to fluctuation in raw material prices & labour (including sub-contracting) cost. However, presences of escalation clause (for raw materials) in most of the contracts protect the margin to an extent.

- **Tender based nature of business with intense competition in the industry**

The domestic construction sector is highly crowded with presence of many players with varied statures & capabilities. Further, RPPL receives all its work orders from government departments through tenders floated by the departments and based on its ability to secure these tenders amidst intense price war. Profit margin of the company may come under pressure because of this competitive nature of the industry. However, the promoters' long industry presence imparts comfort

- **Working capital intensive nature of operation**

Construction business, by its nature, is working capital intensive as a large amount of working capital remains blocked in earnest money deposits and retention money. This apart, its clients are government departments/entities having various procedural requirements where payments are relatively slow. The operating cycle has improved to 67 days in FY23 from 106 days in FY23 primarily due to a decrease in average inventory period from 99 days in FY23 to 77 days in FY24. The average collection period has improved to 61 days in FY24 from 124 days in FY23. Despite the high trade receivables, comfort can be derived from the fact that the dues are mainly from various government departments. Further, the company also



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stretches its creditors to manage its working capital requirements and takes mobilization advances from its clients.

Analytical Approach: Consolidated

Infomerics has considered the consolidated financials of RPPL along with its subsidiaries as the company execute projects through SPV mode by floating subsidiaries for better execution of projects. The business of RPPL and its subsidiaries has high operational and financial linkages. Moreover, RPPL also extends corporate guarantee to its subsidiary, Rithwik MBR Infra Pvt Ltd. The list of entities consolidated is given below in **Annexure 4**.

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](#)

[Consolidation of companies](#)

Liquidity – Adequate

The liquidity position of RPPL is adequate with gross cash accruals of around Rs.231.82 crore during FY24 and it is expected to remain comfortable marked by its expected satisfactory cash accrual ~Rs.326.60 crore to Rs.347.00 crore vis-a-vis its debt repayment obligations ranging from Rs.46.30 crore to Rs.64.78 crore during FY26-FY27. Further, on the back of its comfortable capital structure, the company has adequate gearing headroom and has adequate cushion in bank guarantee limits to secure new orders and necessary mobilization advances for its projects.

About the Company

Rithwik Projects Private Limited (RPPL) was incorporated in the year 1999 in Hyderabad with an objective to carry out EPC Business in Irrigation and Road Sectors. The Company is engaged in construction of Irrigation projects, Construction of DAMs, Barrages, Spillways, Canals, Construction of Hydro Power Projects, Townships, Railway, Tunnels and Road Works. The Company had completed many prestigious projects viz., OAK Reservoir, 4x110



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MW Hydel Power Project on River Alakananda under THDC, Three major barrages across River Mahanadi in the state of Chhattisgarh, Barrage across Tumbe River in Karnataka and various Irrigation projects under HNSS and GNSS Projects in the state of Andhra Pradesh. The company also holds a 5MW AC (5.6 MW DC) solar generation unit located at Andhra Pradesh which has a power purchase agreement to sell power to NTPC Vidyut Vyapar Nigam Ltd for a period of 20 years (signed on January 10, 2011, acquired through tender, based on fixed tariff (Rs.11/unit) quoted.

Financials (Consolidated):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	1720.67	3240.80
EBITDA	224.97	353.86
PAT	98.96	154.40
Total Debt (incl. interest bearing mobilization advances)	304.51	484.85
Tangible Net Worth	611.91	778.98
EBITDA Margin (%)	13.07	10.92
PAT Margin (%)	5.65	4.73
Overall Gearing Ratio (x) (incl. interest bearing advances)	0.50	0.62
Interest Coverage (x)	3.22	4.92

* Classification as per Infomerics' standards.

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 (2025-26)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24		Date(s) & Rating(s) assigned in 2022-23
					-	Mar 28, 2024	Sep 15, 2023	Jun 28, 2022
1.	Term Loan	LT	262.85	IVR A-; Stable	-	IVR A-; Stable	IVR A-; Stable	IVR BBB+/ Stable
2.	Cash Credit	LT	228.00	IVR A-; Stable	-	IVR A-; Stable	IVR A-; Stable	IVR BBB+/ Stable
3.	Bank Guarantee	ST	2010.07	IVR A1	-	IVR A1	IVR A1	IVR A2

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [formerly Infomerics Valuation and Rating Private Limited] 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.

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



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Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	Mar 2029	262.85	IVR A-; Stable
Cash Credit	-	-	-	-	228.00	IVR A-; Stable
Bank Guarantee	-	-	-	-	2010.07	IVR A1

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Rithwik-Projects-16june25.pdf>

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

Annexure 4: List of companies considered for consolidated analysis:

Sl. No.	Name of companies	Nature of relationship	Holding by RPPL
1	RPPL	Holding	-
2	Chattibariatu Coal Mining Pvt Ltd	Subsidiary	74.00%
3	Tokisud Mining Pvt Ltd	Subsidiary	51.00%
4	Rithwik Tokisud Projects Pvt Ltd	Subsidiary	100.00%
5	Rithwik Chatti Bariatu Projects Pvt Ltd	Subsidiary	100.00%
6	Rithwik MBR Infra Pvt Ltd	Subsidiary	74.00%
7	Mangampet Barytes Projects	Subsidiary	35.00%

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.