



Press Release

RPP Infra Projects Limited

December 22, 2021

Ratings:

Facilities	Amount (INR Crore)	Current Ratings	Rating Action
Long Term Bank Facility	60.02	IVR BB+(INC)* (IVR Double B Plus) ISSUER NOT COOPERATING*	Rating downgraded from IVR BBB-/Stable and moved to ISSUER NOT COOPERATING
Short Term Bank Facilities	238.00	IVR A4+ (INC)* (IVR A Four Plus) ISSUER NOT COOPERATING	Rating downgraded from IVR A3 and moved to ISSUER NOT COOPERATING
Total	298.02		

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack adequate information regarding RPP Infra Project Limited performance 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.

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 and complete other rating formalities, vide mail communications dated 20-Nov-2021, 09-Dec-2021, 11-Dec-2021, 16-Dec-2021 and concurrently over several phone calls. 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 long term and short term ratings for the bank loan facilities aggregating to Rs. 298.02 Crores of RPP Infra Projects Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted



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as IVR BB+: Issuer Not Cooperating & IVR A4+: Issuer Not Cooperating based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Standalone

Financial Ratios & Interpretation (Non-Financial Sector)

Rating Methodology for Infrastructure Companies

Guidelines on what constitutes Non-Cooperation by clients

About the Company

RPP Infra Projects Limited (RPPIPL) is a construction company established in 1988 as R.P.P Builders and later reconstituted as a limited company in the year 1995. Its registered office is located at Erode, Tamil- Nadu. RPPIPL operates in the Power, Irrigation and Water supply, Industrial structure, Roads and Buildings segments. The company's focus on small government projects as short-medium tenure projects provides adequate revenue visibility. RPPIPL is listed on BSE and NSE stock exchanges.

Financials (Standalone):

(Rs. Crore)

For the year ended/As on	31.03.2020	31.03.2021
	Audited	Audited
Total Operating Income	575.69	477.90
EBITDA	55.01	36.02
PAT	19.29	15.53
Total Debt	107.47	123.03
Tangible Networth	236.17	267.81
EBITDA Margin (%)	9.56	7.54
PAT Margin (%)	3.30	3.25
Overall Gearing Ratio (x)	0.46	0.46

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

S. No	Name of Instrument/Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating (December 21, 2021)	Date(s) & Rating(s) assigned in 2020-21 (October 14, 2020)	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Fund Based Facilities	Long Term	60.02	IVR BB+(Issuer Not Cooperating)	IVR BBB-/Stable Outlook	-	-
2.	Non Fund Based Facilities	Short Term	238.00	IVR A4+(Issuer Not Cooperating)	IVR A3	-	-

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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	Size of Facility (INR Crore)	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Rating Assigned/ Outlook
Long Term Fund Based Facility-Term Loan	0.89	-	-	June, 2021	IVR BB+(INC)*
Long Term Fund Based Facility-Cash Credit/WCDL	59.13**	-	-	-	IVR BB+(INC)*
Short Term Non Fund Based Facility- Bank Guarantee	238.00	-	-	-	IVR A4+ (INC)*

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

***Includes WCDL-CESS of Rs. 4.63 Cr.*

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

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

Annexure 4: Complexity level of the rated Instruments/Facilities

Sr No.	Instrument	Complexity Indicator
1.	Term Loan	Simple
2.	Bank Guarantee	Simple
3.	Cash Credit/WCDL	Simple

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.