



## Press Release

### R B K Constructions Private Limited

July 03, 2018

### Rating Reaffirmed

<b>Total Bank Facilities Rated*</b>	Rs. 13.56 Cr. (Enhanced from Rs. 8.06 crore)
<b>Long Term Rating</b>	ACUITE B+ / Outlook: Stable
<b>Short Term Rating</b>	ACUITE A4

\* Refer Annexure for details

### Rating Rationale

Acuite has reaffirmed long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.13.56 crore bank facilities of RBK CONSTRUCTIONS PRIVATE LIMITED. The outlook is '**Stable**'.

R B K Constructions Private Limited was incorporated in the year 2011 by Mr. Ravindra Babanrao Kasar and Mr. Shubhangi Ravindra Kasar. The company is engaged in undertaking civil construction contracts such as industrial factory shed & structure development. The company is based out of Pune, Maharashtra and mainly deals in sub contracting for Gannon Dunkerley & Co. Ltd.

## Key Rating Drivers

### Strengths

#### • Experienced and qualified management

The company is promoted by Mr. Ravindra Babanrao Kasar Mr. Shubhangi Ravindra Kasar, Mr. Rohini Rajendra Sangale, Mr. Anjana S Bothra possess more than three decades of experience in the civil construction industry. The directors Mr. Ravindra Babanrao Kasar and Mr. Shubhangi Ravindra Kasar have diploma in civil engineering. RCPL has reported operating income of Rs.35.20 crore (Provisional) for FY2017-18 as against Rs.11.15 crore in the previous year. RCPL has unexecuted orders in hand of Rs.61.72 crore to be executed by March, 2019 which provides moderate revenue visibility over the medium term.

### Weaknesses

#### • Working capital management

The operations are working capital intensive as reflected in the Gross Current Asset days (GCA) of 300 in FY2018 (Provisional) compared to 811 days in FY2017. The high GCA days are due to high inventory days of 275 days in FY2018 (Provisional) compared to 967 days in FY2017. The debtor days stood at 54 days in FY2018 (Provisional).

#### • Average financial risk profile

The average financial risk profile is marked by modest net-worth, high gearing and debt protection metrics. RCPL's net worth levels improved to Rs.5.35 crore in FY2017-18 (Provisional) from Rs.3.24 crore in FY2016-17. The gearing stood high at 4.11 times as on FY2018 (Provisional) as compared to 5.40 times in FY2017. The Interest Coverage Ratio stood moderate at 1.83 times in FY2018 (Provisional) as against 2.68 times in FY2017. Moreover, the NCA/TD stood at 0.12 times in FY2018 (Provisional).

### Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the company.

### Outlook: Stable

Acuite believes RCPL will maintain a stable business risk profile in the medium term backed by its moderate order book position. The outlook may be revised to 'Positive' in case the company registers improvement in financial risk profile. Conversely, the outlook may be revised to 'Negative' in case the

company register slower-than-expected growth in revenues and profitability, or in case of

deterioration in the company's financial risk profile or higher than expected working capital requirements.

### About the Rated Entity - Key Financials

	Unit	FY18 (Provisional)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	35.20	11.15	4.42
EBITDA	Rs. Cr.	5.73	2.14	0.79
PAT	Rs. Cr.	2.11	0.92	0.42
EBITDA Margin	(%)	16.27	19.15	17.97
PAT Margin	(%)	6.00	8.29	9.49
ROCE	(%)	21.96	13.73	18.36
Total Debt/Tangible NetWorth	Times	4.11	5.40	1.44
PBDIT/Interest	Times	1.83	2.68	2.93
Total Debt/PBDIT	Times	3.79	7.99	3.45
Gross Current Assets (Days)	Days	300	811	433

### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>

### Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
06-Sep-2017	Cash Credit	Long Term	INR 4.5	ACUITE B+ / Stable
	Bank Guarantee	Short Term	INR 3.56	ACUITE A4

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00 (Enhanced from Rs. 5.50 crore)	ACUITE B+/Stable
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	3.56	ACUITE A4

### Contacts

<b>Analytical</b>	<b>Rating Desk</b>
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**About Acuité Ratings & Research:**

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