



**Press Release**  
**ROCKEIRA ENGINEERING PRIVATE LIMITED**  
**July 23, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	35.00	ACUITE BBB-   Stable   Assigned	-
Bank Loan Ratings	117.00	-	ACUITE A3   Assigned
Total Outstanding Quantum (Rs. Cr)	152.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned long-term rating of "ACUITE BBB-" (read as ACUITE triple B minusa)nd short-term rating of "ACUITE A3" (read as ACUITE A three)on Rs.152.00 crore bank facilities of Rockeira Engineering Private Limited(REPL). The outlook is 'Stable'.

**Rationale for Rating**

The rating factors experience of promoters in the construction business with vintage of operations over five decades. REPL has major orders for construction of bridges concentrated in Andhra Pradesh and Telangana. REPL's order book position is healthy; however, it comprises slow moving orders due to geographical barriers. The revenues have marginally declined although operating margins remain healthy due to higher margin orders execution. Due to higher leverage at the back of skewed working capital cycle, finance cost has increased which has further reduced net profit. The company maintains adequate liquidity position with moderately utilised bank lines supported by prospective retention money, to be released post defect liability period. The rating is constrained by intensive working capital management and the tender-based nature of operations.

**About the Company**

Rockeira Engineering Private Limited was incorporated in the year 1970, by Mr. Kondaiah (Director, Rockeira). The company is primarily into the construction of roads, bridges and flyovers, water supply, irrigation and power projects in civil and engineering construction including design utilities, engineering, longevity of structures and construction.

The company was converted to a private limited company from LLP in May 2022. The company has its registered office in Jubilee Hills, Hyderabad.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Acuite has taken standalone approach to analysis the business and financial risk profile of REPL.

**Key Rating Drivers**

## **Strengths**

### **Extensive experience of the promoters:**

REPL was incorporated in the year 1970, by Mr. Kondaiah (Director, Rockeira). The promoter has extensive experience in the same line of business. Srikanth Ramineni (Managing director) is a Civil Engineer who has almost two decades of experience in Infra & Construction Management, while Mr. RCM Kondaiah (Director) is also a

Civil Engineer almost four decades of experience in this domain. Acuite believes that the experience of the promoters in the construction business will likely benefit REPL in its operational performance going forward.

### **Healthy Order Book:**

REPL has order in hand of Rs.691.62 crore as on 15th July,2025. Order book is moderately diversified across Andhra Pradesh, Telangana, Uttar Pradesh, Odisha, Bihar, Maharashtra etc. The Order Book/Operating Income (OB/OI) ratio stood at 5.04 times for FY25 providing adequate revenue visibility over the medium term. Acuite believes that prospective executable orders provide adequate revenue visibility to REPL in the medium term. Additionally, REPL maintains an active pipeline of tender submissions across various sectors. These ongoing efforts are expected to contribute to the company's revenue in the near term, subject to successful conversion of bids into awarded contracts.

### **Stable Financial Risk Profile**

The tangible net worth of the company stood at Rs.79.11 Cr. as on March 31, 2025(Prov.) as compared to Rs.70.06 Cr. as on March 31, 2024 due to accretion to reserves. In FY24 capital has been infused of Rs.11.71 crore through right issue. The gearing of the company stood at 0.47 times as on 31 March, 2025 (Prov.). The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 0.88 times as on March 31, 2025 (Prov.) as compared to 0.77 times as on March 31, 2024. The debt protection metrics of the company have been declining, marked by Interest coverage ratio (ICR) of 4.27 times and debt service coverage ratio (DSCR) of 2.38 times for FY2025 (Prov.). The net cash accruals to total debt (NCA/TD) stood healthy at 0.40 times in FY2025(Prov.). Acuite expects that going forward the financial risk profile of the company is likely to improve in near to medium term in absence of any major debt funded capex plans.

### **Weaknesses**

#### **Decline in revenues with variable margins:**

The revenues of the company stood at Rs.137.34 Cr. in FY25(prov) as compared to Rs.140.76 Cr. in FY24 and Rs.164.77 Cr. in FY23. Revenue has been marginally declined in FY 2025 on account of slower execution of order due to election and certain projects being executed in areas with black soil which is a slightly difficult terrain for construction. . However, EBITDA has improved to 17.12% in FY 2025 (prov) from 15.13% in FY 2024, mainly due to REPL's selective choice for orders with higher margins and also price reduction in key raw materials i.e. steel, cement. PAT margin has reduced to 6.59% in FY 2025(prov) from 7.32% in FY 2024 on account of increase in finance cost. Acuite believes that REPL will likely improve the operating performance with sustained increase in margins as per the company's selective order execution strategy and gaining traction in previously delayed orders.

#### **Intensive working capital cycle**

The working capital management of the company is moderate marked by Gross Current Assets (GCA) of 290 days for FY2025(Prov) as compared to 213 days for FY2024 and 108 days in FY2023. With growth in their order book the company has increased inventory build-up, as on 31st March, 2025 inventories stood at ~Rs.30 cr.(which includes Rs.22 Cr. is WIP-bills raised but not realised). The inventory days of the company stood at 96 days in FY2025(prov) as compared to 74 days in FY2024. The debtor days stood at 156 days in FY2025 (prov) against 103 days in FY2024. Receivables from government orders for bridge construction, electrification etc. resulting their longer receivable period. The Creditor days stood at 115 days in FY 2025 (prov) as against 89 days in FY 2024. Acuite believes that the working capital cycle will remain at similar levels due to slowdown in order execution resulting in higher requirement of bank lines. Acuite expects that the working capital operations of the company will remain intensive in medium to near term and will remain a key monitorable.

### **Rating Sensitivities**

1. Order book execution and addition of new orders
2. Scale of operation and profitability
3. Working capital management

### **Liquidity Position**

#### **Adequate**

The company has adequate liquidity marked by sufficient net cash accruals of Rs. 14.78 Cr. as on March 31, 2025(Prov) against Rs. 2.97 Cr. long term debt obligations over the same period. NCA has declined since FY23 due to lower PAT resulting from higher interest expenses . The current ratio of the company stood at 1.75 times in FY2025(Prov). The cash and bank balance stood at Rs.2.10 Cr. for FY2025(Prov). The average bank limit

utilisation stood at ~75% for the last 5 months ended June 2025. Acuité believes that the liquidity of the company is likely to remain adequate over the medium term on account of comfortable cash accruals against long debt repayments, absence of capex plans and moderate current ratio over the medium term.

**Outlook: Stable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	137.34	140.76
PAT	Rs. Cr.	9.05	10.30
PAT Margin	(%)	6.59	7.32
Total Debt/Tangible Net Worth	Times	0.47	0.43
PBDIT/Interest	Times	4.27	7.52

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

None.

### Any other information

None.

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

### Rating History :

Not Applicable.

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indian Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE A3   Assigned
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A3   Assigned
Bandhan Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A3   Assigned
Bandhan Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB-   Stable   Assigned
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB-   Stable   Assigned
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB-   Stable   Assigned
Indian Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE A3   Assigned
Yes Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE A3   Assigned
Bandhan Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A3   Assigned

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### About Acuité Ratings & Research

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