

RSR Infra Works (India) Private Limited

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	25.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Short-term bank facilities	75.00	CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from RSR Infra Works (India) Private Limited (RIWPL) to monitor the rating vide e-mail communications dated November 10, 2025, January 16, 2026, February 13, 2026, February 19, 2026, March 09, 2026, March 16, 2026, March 25, 2026, March 26, 2026, and March 27, 2026, and numerous phone calls. However, despite our repeated requests, the entity has not provided the requisite information for monitoring the rating. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Ratings on bank facilities of RIWPL will now be denoted as CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*.

Users of these ratings (including investors, lenders, and the public at large) are hence requested to exercise caution while using above rating(s).

The last rating assigned to bank facilities of RIWPL factored in moderation in scale of operations and revenue in FY24, volatility in the input costs, fragmented nature of construction sector with tender-based nature of operations and execution challenges and high competition in the construction sector. However, ratings derived comfort from promoters' experience in the construction industry, medium-term revenue visibility and lower counter party risk, growing asset base with low reliance on sub-contracting geographical diversification of orderbook and escalation clause in contracts, comfortable working capital cycle, satisfactory capital structure, and liquidity position.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability to scale up operations to over ₹250.00 crore while maintaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 8%.
- The company's ability to expand and diversify the order book with subsequent improvement in size and scale of operation.

Negative factors

- Substantial decline in the volumes below the envisaged levels.
- Delays in execution of orders beyond stipulated time frame and delay in receipt of collection of receivables from customers on a sustained basis.
- Any large debt-funded capex impacting the liquidity.

Analytical approach: Standalone financials of RIWPL is considered for the rating assessment.

Outlook: Stable

CareEdge Ratings believes that the entity will continue to benefit from the extensive experience of the promoters and management in the industry.

Detailed description of key rating drivers:

At the time of last rating assignment on March 17, 2025, the following were the rating strengths and weaknesses.

Key weaknesses

Moderation in operations and revenue in FY24

The total operating income (TOI) of RSR declined to ₹121.16 crore in FY24 from ₹164.21 crore in FY23 owing to slower execution of projects due to slower approval from principal and limited resource mobilisation. The same primarily resulted due to assembly

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

and general elections. The company's profitability margins moderated to 4.20% in FY24 compared to 8.24% in FY23 considering decline in TOI and PBILDT on absolute levels and limited coverage of expense by the moderated TOI. However, profit after taxation (PAT) margins slightly improved to 3.79% in FY24 from 3.23% in FY23 with reduction in depreciation expense and significant increase in non-operating income to ₹7.55 crore in FY24.

Fragmented nature of construction sector with tender-based nature of operations and execution challenges

The infrastructure sector in India is highly fragmented and competitive with many small and mid-sized players. This and tendering process in order procurement results in intense competition within the industry, fluctuating revenues, and restrictions in profitability. Additionally, continued increase in execution challenges including delays in land acquisition, regulatory clearances, aggressive bidding, interest rate risk and delays in project due to environmental clearance are other external factors that affect the credit profile of industry players. All these are tender-based and the revenues depend on the company's ability to bid successfully for these tenders. Profitability margins come under pressure because of competitive nature of the industry. However, the promoter's extensive industry experience of nearly two decades mitigates this risk to some extent.

High competition with tender driven nature of construction sector and executional challenges

The fortune of civil construction industry is linked to the condition of economy and fiscal policy of government, which is inherently cyclical in nature. The same reflects inherent risk to the business as revenue of the company is susceptible to budgetary allocations for infrastructure Projects and Government issues tenders per their requirement which does not indicate assurance for continuous inflow of work. Additionally, continued increase in execution challenges such as delays in land acquisition, regulatory clearances, aggressive bidding, interest rate risk and delays in project due to environmental clearance are other external factors that limit the pricing flexibility and put pressure on its profitability. The infrastructure sector in India is highly fragmented with a large number of small and mid-sized players which makes the civil construction space highly competitive. However, RSR benefits with promoter's extensive industry experience and well-established track record that mitigates this risk to an extent.

Key strengths

Experienced promoters and well-established track record in civil construction industry

Incorporated in June 2010, RSR is promoted by R Subba Raju (Managing Director) who has over 30 years of experience in civil construction industry. R Gopala Krishna (S/o R Subba Raju), executive director of the company is a BE and MBA from UK, he has about two decades of experience in the construction industry. R Mahalakshmi and R Lavanya are the other two directors of the company. The company has well-established track record of over a decade and has executed work orders pertaining to railways, road and irrigation segments on contractual basis. The top management is guided and assisted by experienced team of professionals with considerable experience in the construction industry.

Medium-term revenue visibility and lower counter party risk

As on January 09, 2025, the order book position of the company stands at ₹499.10 crore that translates to 4.12x of the gross revenue for FY24 (A), which reflects revenue visibility for the medium term. The company undertakes orders funded from central (71.31%) and state government (28.69%) departments such as South Central Railway, East Coast Railway, Irrigation Division Kakinada, Andhra Pradesh Tourism Development Corporation, among others to minimise revenue risk.

Growing asset base with low reliance on sub-contracting and escalation clause in contracts

RSR has been gradually developing its asset base with an aim to reduce dependence on subcontracting expenses. However, RSR outsources limited labour-intensive works and specialised activities such as pipeline laying, valve fixing, electrical works and plumbing among others on back-to-back basis, which has enabled the company to maintain operational efficiency. Hence, the sub-contracting expenses incurred by RSR remain comfortable in FY24. RSR has price escalation clause in most of their civil construction projects, which partially reduces the risk of increase in raw material costs and the burden of price increase is marked up in the billing to the concerned departments.

Satisfactory capital structure

RSR's debt profile comprises term loans, mobilisation advance, and working capital borrowings. The company's capital structure remains satisfactory marked by overall gearing of 0.42x as on March 31, 2024, improved from 0.69 as on March 31, 2023, considering lower utilisation of working capital limits compared to previous year and repayment of term loans and unsecured loans in March 31, 2024. Also, the debt coverage indicator, PBILDT-interest coverage ratio declined and stood at 1.38x in FY24 compared to 4.51x considering significant decline in PBILDT on absolute levels from ₹13.52 crore in FY23 to ₹5.09 crore in FY24 and increase in interest cost from ₹3 crore in FY23 to ₹3.69 crore in FY24. The other debt coverage indicator, total debt to gross cash accruals (GCA) improved and remained at 2.53x in FY24 against 3.36x in FY23 mainly due to decrease in debt levels led by repayment of term loans and unsecured loans and lower utilisation of working capital limits.

Satisfactory operating cycle and working capital intensive operations

The company's operating cycle has remained negative over the years, highlighting its efficient working capital management. In FY24, operating cycle stood at -69 days, improving from -92 days in FY23 and -126 days in FY22. This negative cycle is primarily driven by a strong supplier credit period, with average creditor days at 84 days in FY24, though it has moderated from 108 days in FY23 and 149 days in FY22. The average collection period further improved to 13 days in FY24 from 16 days in FY23, reflecting efficient receivables management and strengthened cash flow. Inventory management remained lean, with an average holding period of just two days in FY24, showcasing effective inventory turnover. Overall, the company's working capital cycle

demonstrates its ability to leverage supplier credit while efficiently managing receivables and inventory, resulting in strong liquidity and operational efficiency.

Geographical diversification of order book

The company benefits from a well-diversified geographic order book, reducing its reliance on single region and enhancing revenue stability. As of the latest data, Andhra Pradesh contributes the highest share of the order book at 40.46% (₹201.96 crore), followed by Tamil Nadu with 29.88% (₹149.14 crore). Kerala contributes 19.72% (₹98.4 crore), while Telangana accounts for 7.83% (₹39.09 crore). Additionally, Manipur contributes 1.58% (₹7.88 crore), with Karnataka adding 0.53% (₹2.63 crore). This broad geographic presence across multiple states provides the company with a competitive advantage, mitigating region specific risks and ensuring consistent revenue streams from central and state government contracts.

Liquidity: Adequate

Adequate liquidity is marked by generation of ₹7.47 crore GCA against repayment of ₹1.11 crore in FY25. The average fund-based working capital utilisation remained lower at 82.94% for past 12 months ended December 2024. The company has unencumbered cash and bank balance of ₹1.82 crore as on March 31, 2024.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

RIWPL is a construction company based out of Rajahmundry, Andhra Pradesh. RIWPL undertakes civil construction works related to railways and irrigation. The company promoted by R Subba Raju was originally set up as a proprietary concern in the year 1974. In 1998, the company was converted into a partnership firm known as M/s R Subba Raju. RIWPL was then converted into a private limited company on June 4, 2010 and the name was changed to present nomenclature. The company is registered as a special class contractor (railway, irrigation and road) with government of AP and Telangana.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	121.16	101.89	89.48
PBILDT*	5.09	10.10	NA
Profit after tax (PAT)	4.59	1.47	NA
Overall gearing (x)	0.42	0.42	NA
Interest coverage (x)	1.38	3.75	NA

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	25.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	75.00	CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Bank Overdraft	LT	25.00	CARE BB; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB+; Stable (17-Mar-25) 2)CARE BB; Stable; ISSUER NOT COOPERATING * (27-May-24)	-	1)CARE BB; Stable; ISSUER NOT COOPERATING * (28-Mar-23) 2)CARE BB+; Stable (06-Apr-22)
2	Non-fund-based - ST-Bank Guarantee	ST	75.00	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4+ (17-Mar-25) 2)CARE A4; ISSUER NOT COOPERATING * (27-May-24)	-	1)CARE A4; ISSUER NOT COOPERATING * (28-Mar-23) 2)CARE A4+ (06-Apr-22)

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

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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