

Rithwik Projects Private Limited

December 26, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	443.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	ISSUER NOT COOPERATING; Revised from CARE BBB-; Negative (Triple B Minus; Outlook: Negative) on the basis of best available information
Long-term/Short-term Bank Facilities	1624.45	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	ISSUER NOT COOPERATING; Revised from CARE BBB-; Negative/CARE A3 (Triple B Minus; Outlook: Negative/ A Three) on the basis of best available information
Total Facilities	2,067.45 (Rupees Two Thousand Sixty Seven crore and Forty-Five lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Rithwik Projects Private Limited to monitor the ratings vide e-mail communications/letters dated September 11, 2019, October 01, 2019, November 29, 2019, December 12, 2019 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The ratings on Rithwik Projects Private Limited's bank facilities will now be denoted as **CARE D/CARE D; ISSUER NOT COOPERATING***.

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

The ratings have been revised on account of stretched liquidity position resulting in delays in debt servicing obligation.

Detailed description of the key rating drivers

At the time of last rating in April 2019, the following were the rating strengths and weaknesses (updated for the information available from bankers/lenders):

Key Rating Weaknesses

Stretched liquidity position with delays in debt servicing: The company has been facing stretched liquidity due to pending receivables from various State Government department which has resulted in delays in debt servicing.

Key Rating Strengths

Experienced promoters with established track record: RPPL has been promoted by Mr C M Ramesh along with family members as a closely held public limited company in the year 1999. Over the years, RPPL executed various infrastructure projects for state government and public sectors units' viz. THDC India Ltd. (erstwhile Tehri Hydro Power Development Corporation), Konkan Railway Corporation Ltd., National Projects & Construction Company Ltd. Steel Authority of India Ltd, Government of Andhra Pradesh (GoAP), Government of Jammu and Kashmir (GoJ&K), besides others.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings and watch](#)

[Criteria for Short Term Instruments](#)

[CARE's Policy on Default Recognition](#)

[Financial Ratios – Non-Financial Sector](#)

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

About the Company

Incorporated in March 1999, Rithwik Projects Private Limited (RPPL) is engaged in providing engineering, procurement and construction (EPC) services for civil & structural construction and infrastructure sector projects. Majority of projects of the company are irrigation related projects spread across six states including Andhra Pradesh, Madhya Pradesh, Chhattisgarh, Karnataka, Gujarat and Uttarakhand. The promoters; Mr. CM Ramesh & Mr. CM Rajesh, hold the majority shareholding. PE player, Baring Private Equity also invested in the company during FY09 and holds equity stake of about 7.89% in the company.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Detailed explanation of covenants of the rated instrument/facilities is given in Annexure-3

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	February 2022	246.09	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Negative on the basis of best available information
Fund-based - LT-Cash Credit	-	-	-	-	196.91	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Negative on the basis of best available information
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	1624.45	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Negative/CARE A3 on the basis of best available information

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	246.09	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Negative on the basis of best available information	1)CARE BBB-; Negative (03-Apr-19)	1)CARE BBB- (Under Credit watch with Negative Implications) (18-Oct-18)	1)CARE BBB-; Stable (21-Dec-17) 2)CARE BB; Stable (05-Oct-17)	1)CARE BB; Stable (03-Mar-17) 2)CARE BB (11-Nov-16)
2.	Fund-based - LT-Cash Credit	LT	196.91	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Negative on the basis of best available information	1)CARE BBB-; Negative (03-Apr-19)	1)CARE BBB- (Under Credit watch with Negative Implications) (18-Oct-18)	1)CARE BBB-; Stable (21-Dec-17) 2)CARE BB; Stable (05-Oct-17)	1)CARE BB; Stable (03-Mar-17) 2)CARE BB (11-Nov-16)
3.	Fund-based - LT-Working capital Term Loan	-	-	-	-	-	-	1)CARE BB; Stable (03-Mar-17) 2)CARE BB (11-Nov-16)
4.	Fund-based - LT-Funded Interest term Loan	-	-	-	-	-	-	1)CARE BB; Stable (03-Mar-17) 2)CARE BB (11-Nov-16)
5.	Non-fund-based - LT/ ST-BG/LC	LT/ST	1624.45	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Negative/CARE A3 on the basis of best available information	1)CARE BBB-; Negative/CARE A3 (03-Apr-19)	1)CARE BBB- / CARE A3 (Under Credit watch with Negative Implications) (18-Oct-18)	1)CARE BBB-; Stable / CARE A3 (21-Dec-17) 2)CARE BB; Stable (05-Oct-17)	1)CARE BB; Stable (03-Mar-17) 2)CARE BB (11-Nov-16)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument/facilities- NA

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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