

January 05, 2026

Rithwik Projects Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action ¹
Long-term-Fund-based-Working Capital facilities	412.00	600.00	[ICRA]A- (Stable); reaffirmed/assigned for enhanced amount
Long-term-Fund-based-Term loan	442.13	411.06	[ICRA]A- (Stable); reaffirmed
Long-term/Short-term-Non-fund based facilities	3,345.87	4,438.94	[ICRA]A- (Stable)/[ICRA] A2+; reaffirmed/assigned for enhanced amount
Issuer rating	0.00	0.00	[ICRA]A- (Stable); reaffirmed
Total	4,200.00	5,450.00	

*Instrument details are provided in Annexure-I

Rationale

The reaffirmed ratings of Rithwik Projects Private Limited (RPPL) factor in its strong order book position of Rs. 17,455 crore as on September 30, 2025, providing healthy revenue visibility over the medium term. The order book is well diversified across segments such as mining, irrigation, barrages/dams, tunnels, roads, railways, pumped storage projects (PSP) and water supply, with an OB/OI ratio of 5.1 times of FY2025 operating income. The ratings also consider RPPL's healthy scale of operations, with revenues growing at a CAGR of 26% to Rs. 3,416 crore in FY2025 from Rs. 1,069 crore in FY2020, supported by improved order execution and significant order inflows. While the scale is expected to remain strong, some moderation is anticipated in FY2026 due to prolonged monsoon and heavy rainfall impacting execution in H1 FY2026. Operating margins improved to 13.1% in FY2025 from 10.6% in FY2020, aided by higher scale and lower sub-contracting expenses, and are expected to sustain at around similar levels over the medium term.

The ratings also factor in RPPL's reputed clientele, comprising central PSUs and Central Government departments, including the National Highways Authority of India (NHAI) and the Ministry of Road Transport and Highways (MoRTH); and city development authorities such as the City and Industrial Development Corporation of Maharashtra Limited (CIDCO) and Mumbai Metropolitan Region Development Authority (MMRDA), resulting in low counterparty risk. With a focus on projects funded by multilateral agencies and the Central Government, payments are expected to be received in a timely manner going forward.

However, the ratings are constrained by RPPL's moderate financial risk profile, characterised by high working capital intensity (NWC/OI at 19.1% in FY2025) due to elevated inventory levels and moderate debtor days, which is being funded by creditors and mobilisation advances from customers. This has resulted in relatively higher leverage, with TOL/TNW at 2.0 times as on March 31, 2025. The coverage metrics have also moderated with interest coverage of 4.6 times in FY2025 from 5.3 times in FY2024 owing to higher interest costs amid increased working capital borrowings, long term loans and enhancement in limits. RPPL incurred significant debt-funded capex of approximately Rs. 440 crore during FY2023-FY2025 for equipment purchase to execute the large orders received during this period. The company is expected to further undertake a capex of Rs. 250-300 crore during FY2026 and FY2027. Consequently, interest expenses are expected to remain elevated in FY2026 and FY2027. However, coverage metrics are likely to improve over the medium term, with increased scale of operations and healthy profitability. Liquidity remains impacted by funds blocked in legacy projects due to pending settlements, and timely realisation of these amounts remains a key rating monitorable.

The ratings also factor in RPPL's sizeable, committed investments of Rs. 146 crore to be infused during FY2026-FY2028 towards hybrid annuity model (HAM) and mining developer-cum-operator (MDO) projects, in addition to annual capex of Rs. 100-150

¹ Complete definitions of the ratings assigned are available at www.icra.in.

core for project execution. While the company is expected to fund these through internal accruals, any large debt-funded capex that weakens coverage metrics would remain a key rating monitorable .

RPPL also faces moderate geographical concentration risk, with ~74% of the order book confined to the top three states (Maharashtra, Andhra Pradesh, and Bihar) as on September 30, 2025. It is also executing complex projects such as dams, tunnels and pumped storage projects, which can be prone to delays. Moreover, the company remains exposed to the inherent cyclicality in the construction sector and intense competition in the tender-based award system, resulting in volatility in order inflows and pressure on margins. RPPL also has sizeable non-fund-based exposure in the form of bank guarantees of Rs. 1,980.86 crore as on August 31, 2025, primarily towards performance guarantees, mobilisation advances and security deposits. Nonetheless, comfort is drawn from RPPL's long track record, healthy execution capabilities and absence of any invocation of guarantees in the recent past.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will be able to sustain its credit profile on the back of healthy order book and expected execution, along with stable working capital cycle.

Key rating drivers and their description

Credit strengths

Strong order book position provides medium-term revenue visibility – The company's order book remains strong, with pending orders of Rs. 17,455 crore as on September 30, 2025 compared to Rs. 9,309 crore as on June 30, 2024, providing healthy revenue visibility. The order book is well diversified across segments such as mining, irrigation, barrages/dams, tunnels, roads, railways, pumped storage projects (PSP) and water supply. The OB/OI ratio stood at 5.1 times of FY2025 operating income, indicating medium-term revenue visibility.

Healthy revenue growth and operating margins - The ratings factor in RPPL's healthy scale of operations, with revenues growing at a CAGR of 26% to Rs. 3,416 crore in FY2025 from Rs. 1,069 crore in FY2020, supported by improved order execution and significant order inflows. The scale of operations is expected to remain strong in the medium term, backed by a robust order book and healthy execution, although some moderation is anticipated in FY2026 due to prolonged monsoon and heavy rainfall, impacting execution in H1 FY2026. The operating income for H1 FY2026 stood at Rs. 1,155 crore, and is projected to reach around Rs. 3,000-3,200 crore in FY2026. Operating margins improved to 13.1% in FY2025 from 10.6% in FY2020, driven by higher scale and lower sub-contracting expenses, and are expected to sustain at similar levels over the medium term.

Diversified order book and reputed clientele - The ratings also factor in RPPL's reputed clientele, comprising central PSUs such as NTPC Limited, NMDC Limited, NHPC Limited, RVNL, and SJVN Limited; Central Government departments including NHA and MoRTH; and city development authorities such as CIDCO and MMRDA, among others, which results in low counterparty risk. With a focus on projects funded by multilateral agencies and the Central Government, payments are expected to be received in a timely manner. Further, RPPL has leveraged its expertise in hydro and pumped storage projects to secure private sector projects from entities like Greenko and Adani Renewables. Going forward, the company aims to maintain a diversified client mix, prioritising projects with clear funding visibility to mitigate realisation risks.

Credit challenges

Moderate financial risk profile and working capital intensity – The financial risk profile of the company is moderate, characterised by high working capital intensity (NWC/OI at 19.1% in FY2025) due to elevated inventory levels and moderate debtor days, which is being funded by creditors and mobilisation advances from customers. This resulted in relatively higher leverage, with TOL/TNW at 2.0 times as on March 31, 2025. The coverage metrics also moderated with interest coverage of 4.6 times in FY2025 from 5.3 times in FY2024, owing to higher interest costs amid increased working capital borrowings, long term loans and enhancement in limits. RPPL incurred significant debt-funded capex of approximately Rs. 440 crore during FY2023-FY2025 for equipment purchase to execute the large orders received during this period. The company is expected to further undertake capex of Rs. 250-300 crore during FY2026 and FY2027. Given this, interest expenses are expected to remain elevated

in FY2026 and FY2027. However, coverage metrics are likely to improve over the medium term with increased scale of operations and healthy profitability. The company also has sizeable exposure to state government projects, which has historically led to elongated cash conversion cycles and impacted liquidity levels. ICRA notes that receivables and inventory remain stuck in legacy projects due to pending final settlements of pre-closed contracts, resulting in significant funds being blocked as on March 31, 2025. The company’s ability to realise these amounts in a timely manner and improve its leverage position remains a key rating monitorable.

Sizeable Group investments to constrain its liquidity and leverage position - The ratings are further constrained by committed investments of over Rs. 146 crore to be infused during FY2026-FY2028 towards HAM and MDO projects. The company has already infused Rs. 163 crore in these projects as on March 31, 2025, and is expected to fund the balance through operational cash flows over the medium term. In addition, it is likely to incur annual capex of Rs. 100-150 crore to support the project execution. Any significant debt-funded capex that adversely impacts debt coverage metrics would remain a key rating monitorable. Moreover, corporate guarantees, if any, to subsidiaries will have a bearing on leverage metrics going forward.

Moderate geographic concentration; risks associated with construction sector, including sizeable non-fund based exposure – The company has moderate geographical concentration, with the top three states accounting for around 74% of the order book as on September 30, 2025. It is also executing complex projects such as dams, tunnels and pumped storage projects, which are prone to delays. Further, RPPL remains exposed to the cyclicity inherent in the construction industry and intense competition in the tender-based contract award system, leading to risks of volatility in order inflows, revenues, and pressure on margins. The company also has sizeable contingent liabilities in the form of bank guarantees (Rs. 1,980.86 crore as on August 31, 2025), primarily towards performance guarantees, mobilisation advances and security deposits. Nonetheless, ICRA takes comfort from RPPL’s long track record, healthy execution capabilities and the absence of any invocation of guarantees in the recent past.

Liquidity position: Adequate

The liquidity position of the company is adequate, with free cash and bank balances of Rs. 21.15 crore and cushion in working capital limits of Rs. 25 crore as on September 30, 2025. The average fund based working capital utilisation for the past 12 months ending November 2025 remained moderate at 75%. The company is expected to incur capex of Rs. 125-150 crore and has debt obligations of Rs. 96.5 crore in FY2026, which can be comfortably met through estimated cash flow from operations and proposed debt. Further, sanction of project specific working capital limits is expected to support the liquidity position in the near term.

Rating sensitivities

Positive factors – The ratings could be upgraded in case of improvement in earnings and reduction of working capital cycle, resulting in improvement in debt coverage metrics and liquidity position on a sustained basis. Specific credit metrics that could lead to an upgrade include interest cover of more than 6.0 times and TOL/TNW less than 1.3 times, on a sustained basis.

Negative factors – Pressure on the ratings could arise if there is a significant decline in earnings or an increase in the working capital cycle or higher-than-envisaged investments in developmental projects adversely impacting the debt coverage metrics and liquidity position on a sustained basis. Specific credit metrics for ratings downgrade include interest coverage less than 4.0 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has done full consolidation of Chattibariatu Coal Mining Private Limited and limited consolidation of Rithwik MBR Infra Private Limited and Tokisud Mining Private Limited factoring in the equity commitments and support towards meeting any cash flow mismatches.

About the company

Rithwik Projects Private Limited (RPPL) was incorporated in March 1999 and is based out of Hyderabad. RPPL is an infrastructure development company providing engineering, procurement and construction (EPC) services in various infrastructure segments, including irrigation, construction of dams, barrages, spillways, canals, construction of hydro power projects, pumped storage projects, railways, tunnels, roads and PSP works. At present, the company is executing works for reputed clients, including NHAI, MoRTH, RVNL, NHPC, NTPC, NMDC, SJVNL, CIDCO, MMRDA, Adani renewable energy and Greenko among others.

Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income	3114.2	3426.5
PAT	159.5	203.0
OPBDIT/OI	11.8%	13.1%
PAT/OI	5.1%	5.9%
Total outside liabilities/Tangible net worth (times)	2.1	2.0
Total debt/OPBDIT (times)	1.3	1.2
Interest coverage (times)	5.3	4.6

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	Jan 05, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based- Working Capital facilities	Long Term	600.00	[ICRA]A-(Stable)	Oct 30, 2024	[ICRA]A-(Stable)	-	-	-	-
Non-fund based facilities	Long Term/Short Term	4,438.94	[ICRA]A-(Stable)/[ICRA]A2+	Oct 30, 2024	[ICRA]A-(Stable)/[ICRA]A2+	-	-	-	-
Fund-based-Term loan	Long Term	411.06	[ICRA]A-(Stable)	Oct 30, 2024	[ICRA]A-(Stable)	-	-	-	-
Issuer rating	Long Term	0.00	[ICRA]A-(Stable)	Oct 30, 2024	[ICRA]A-(Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund based Term loans	Simple
Long-term Fund based Working Capital facilities	Simple
Long-term/Short-term Non-fund based facilities	Simple
Issuer rating	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	NA	NA	FY2029	411.06	[ICRA]A- (Stable)
NA	Working Capital facilities	NA	NA	NA	600.00	[ICRA]A- (Stable)
NA	Non-fund based facilities	NA	NA	NA	4438.94	[ICRA]A- (Stable)/[ICRA]A2+
NA	Issuer rating	NA	NA	NA	-	[ICRA]A- (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	RPPL Ownership	Consolidation Approach
Chattibariatu Coal Mining Private Limited	74.00%	Full Consolidation
Rithwik MBR Infra Private Limited	74.00%	Limited Consolidation
Tokisud Mining Private Limited	51.00%	Limited Consolidation

Source: Company

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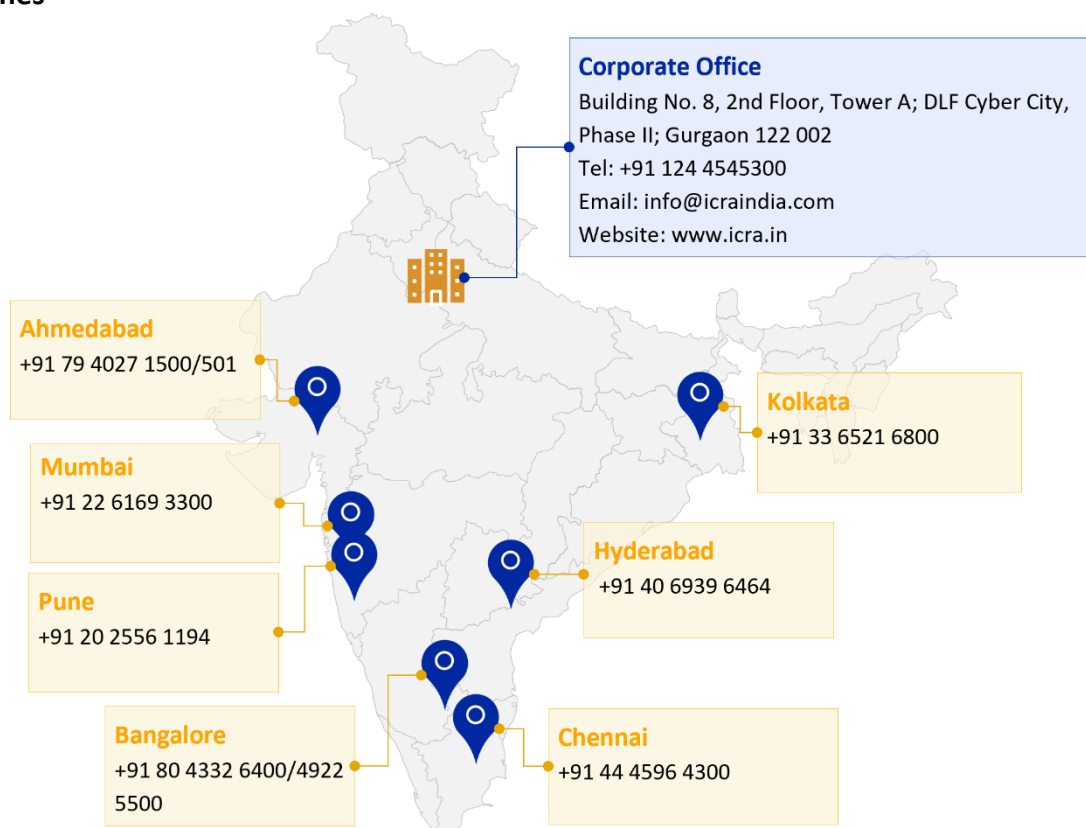


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