

January 30, 2026

RRSM Infra Private Limited: Ratings upgraded; outlook revised to Stable

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	80.0	80.0	[ICRA]A (Stable); rating upgraded from [ICRA]A- (Positive) and outlook revised to Stable from Positive
Long-term/ Short-term – Non-fund based – Bank guarantee	470.0	470.0	[ICRA]A (Stable)/[ICRA]A1; ratings upgraded from [ICRA]A- (Positive)/[ICRA]A2+ and outlook revised to Stable from Positive
Total	550.0	550.0	

*Instrument details are provided in Annexure I

Rationale

The ratings upgrade for RRSM Infra Private Limited (RIPL) reflects a significant expansion in its scale of operations, as evidenced by a CAGR of about 28% in the last five years ending FY2025, coupled with consistently healthy debt protection metrics. While operating income is expected to remain largely flat in FY2026 due to the early stage of recently secured orders and pending appointed dates for select projects, the growth trajectory is likely to regain momentum from FY2027. This will be supported by sustained order inflows and the company's demonstrated execution capabilities. RIPL's order book (OB) stood at around Rs. 2,507 crore as on September 30, 2025, equivalent to almost 1.5 times its FY2025 operating income (OI), providing adequate revenue visibility given an average project execution period of nearly two years.

The ratings continue to factor in the company's consistently comfortable leverage and coverage indicators, which are expected to sustain, barring transitory moderation in FY2026. The capital structure has remained healthy, with total outside liabilities to tangible net worth maintained below 1.0 time over the past three years, supported by steady net worth accretion. Coverage metrics have similarly remained strong, with interest coverage exceeding 5.0 times and DSCR above 2.3 times. RIPL's business profile is further reinforced by its reputed public-sector clientele and the promoters' extensive sector experience.

The ratings, however, remain constrained by concentration risks in RIPL's order book, which is fully focused on the road segment, with the top five projects accounting for around 77% of the total as of September 2025. Execution risk also persists, as nearly 78% of the residual order value relates to projects at an early stage of implementation, with progress of less than 20%. Nonetheless, ICRA draws comfort from RIPL's established execution track record and its demonstrated ability to complete projects within stipulated timelines. The inherently competitive nature of the construction sector continues to restrict pricing flexibility, which is reflected in the company's moderate operating profit margins of 10–13% (excluding bonuses received during FY2024–FY2025) over FY2019–FY2025. While price escalation clauses in contracts partially mitigate raw material cost volatility, sustained margin expansion remains constrained.

The ratings further factor in RIPL's exposure to two recently awarded hybrid annuity mode (HAM) projects from the Ministry of Road Transport and Highways (MoRTH), which are awaiting appointed dates and are subject to execution and implementation risks. The company's equity commitment of approximately Rs. 100 crore towards these projects during FY2026–FY2028 is likely to be met through internal accruals and available liquidity. Over the medium term, as the company scales up operations and undertakes additional HAM projects, its ability to manage working capital efficiently, maintain execution discipline, and preserve adequate liquidity will remain important from a credit perspective. The ratings also consider the cyclicality of the construction industry, potential volatility in order inflows, and the sizeable contingent liabilities in the form of bank guarantees; however, ICRA derives comfort from the absence of any invocation of guarantees in the past.

ICRA has noted the penalty of Rs. 55.47 crore imposed by the National Green Tribunal (NGT) on the company in February 2023. The matter is sub judice since April 2023, without any material development. Any adverse ruling leading to material cash outflows and impacting its liquidity position would be a credit negative.

The Stable outlook on the long-term rating reflects ICRA's opinion that RIPL will be able to maintain its credit profile over the medium term, driven by its strong execution capabilities, coupled with the expectations that its incremental capex and/or investments will be funded in a manner that it is able to durably maintain its debt protection metrics and liquidity profile.

Key rating drivers and their description

Credit strengths

Adequate order book position providing medium term revenue visibility – RIPL had a pending order book of Rs. 2,506.7 crore as on September 30, 2025 (inclusive of GST), equivalent to nearly 1.5 times its FY2025 OI and about 2.0 times its trailing 12-month OI as of the same date. The same provides healthy medium-term revenue visibility, given the average project execution cycle of 1.5-2.0 years. Accordingly, the company's revenues are expected to remain above Rs. 1,300 crore over the medium term.

Comfortable leverage and coverage metrics – RIPL is expected to report a flattish OI in FY2026, reflecting the early-stage progress of orders secured during the 12 months ending September 2025 and the pending receipt of appointed dates for select projects. However, growth momentum is likely to strengthen from FY2027, supported by steady order inflows and the company's healthy execution capabilities. While operating profitability is expected to moderate slightly on a YoY basis to 11-12%, absolute profit levels should remain healthy. The capital structure has remained strong, with TOL/TNW below 1.0 time over the three years ending FY2025, aided by consistent accretion to net worth. Coverage metrics have also been comfortable, with interest coverage above 5.0 times and DSCR exceeding 2.3 times over the four-year period ending FY2025. Some moderation in interest coverage is anticipated due to an increased reliance on interest-bearing mobilisation advances; however, it is still expected to remain well above 5.0 times during FY2026-FY2028. Likewise, TOL/TNW is likely to remain below 1.0 time and DSCR above 2.3 times during the corresponding period, underpinning sustained comfortable leverage and coverage indicators.

Extensive experience of promoters and management in construction industry, along with reputed clientele – RIPL is promoted by Mr. Rajendra Singh Bhamboo and Mr. Rajendra Kumar Dangi, who together bring over four decades of experience in the construction sector. The company is supported by a team of qualified technical professionals, many of whom have been associated with RIPL for an extended period. The extensive experience of the promoters and the long-standing, skilled team, along with the company's established operational track record, strengthen its operational risk profile. Additionally, the current order book comprises projects from reputed public sector entities with low counterparty risk.

Credit challenges

Concentrated order book and execution risks – The company's order book remains exposed to project concentration risk as the top five projects accounted for almost 77% of the order book as on September 30, 2025. RIPL is also exposed to execution risks associated with contracts, as nearly 78% of orders in hand are in the nascent stages, with less than 20% progress as on September 30, 2025, including some projects that are yet to receive the appointed date. Nevertheless, ICRA draws comfort from RIPL's track record in the construction business and successful completion of projects within the stipulated time (has received bonus award of about Rs. 50 crore from the National Highways Authority of India (NHAI) and MoRTH during FY2024-YTD FY2026 for early completion of four projects).

Pending equity commitment towards developmental (road-HAM) projects – ICRA has undertaken limited consolidation of RIPL with its HAM project subsidiaries [HAM special purpose vehicles (SPVs)], factoring in the equity commitments and support towards meeting any cash flow mismatches. At present, it has two HAM projects awaiting their appointed dates and, hence, remains exposed to project implementation risks. RIPL has estimated equity commitment of Rs. 100 crore towards these two projects during FY2026-FY2028 and the same is planned to be met from its available liquidity and cash flow from operations. Over the medium term, the company plans to take up more HAM projects. Any significant addition of new HAM projects in

the OB, resulting in disproportionate equity commitments, could have a bearing on the liquidity. Given the increasing scale of operations and equity commitments such projects entail, RIPL’s ability to judiciously manage its working capital cycle and maintain its execution ramp-up, with an adequate liquidity position remains important from the credit perspective.

Sector risks including stiff competition and sizeable non-fund based exposure – RIPL is exposed to the cyclicity inherent in the construction industry and intense competition in the tender-based contract award system, resulting in risk of volatility in order inflows, revenues and pressure on profit margins. It is also exposed to sizeable contingent liabilities in the form of bank guarantees (about Rs. 302 crore as on September 30, 2025), mainly towards performance guarantee, mobilisation advance and earnest money deposits (EMDs). Nonetheless, ICRA draws comfort from the company’s long presence and established relationships with clients, healthy execution track record and no invocation of guarantees in the past.

Liquidity position: Adequate

The company’s liquidity is expected to remain adequate, with healthy cash flow from operations, supported by free cash and bank balances of around Rs. 82 crore as on September 30, 2025 and cushion in the form of unutilised fund-based limits of around Rs. 55 crore (nearly 76% average 12-month utilisation for the period that ended on September 30, 2025). Against the same, RIPL has debt repayment obligations of around Rs. 10-26 crore per annum in FY2026 and FY2027 and modest capex plans, which should be comfortably funded from its cash flow from operations. In addition, it enjoys flexibility through provision to avail mobilisation advances and realise retention money against bank guarantees.

Rating sensitivities

Positive factors – The ratings could be upgraded if RIPL demonstrates meaningful geographical diversification, a significant and sustained improvement in scale and liquidity, and continues to maintain adequate profitability, leverage, and cash-conversion cycle.

Negative factors – Pressure on the ratings may arise if there is a slowdown in order inflows, significantly lower-than-expected billings, or an increase in working capital requirements that weakens the liquidity position. The ratings may also be impacted by a material rise in exposure to developmental projects or any crystallisation of contingent liabilities that adversely affects liquidity. Additionally, a sustained increase in working-capital intensity or TOL/TNW rising above 1.2 times could trigger a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has undertaken limited consolidation of HAM SPVs, factoring in the equity commitments and support towards meeting any cash flow mismatches (see Annexure II).

About the company

RRSM Infra Private Limited is a construction company promoted by Mr. Rajendra Singh Bhamboo and Mr. Rajendra Singh Dangi, who have been associated with the construction sector since 1980. Initially, the promoters operated under a partnership firm (M/s Rajendra Singh Bhamboo). RIPL is involved in civil construction, which primarily includes construction of roads and bridges. It has completed multiple projects in Rajasthan, Madhya Pradesh, Maharashtra, Assam and Tripura. It is currently executing projects in some of these states, along with Andhra Pradesh and Goa. The company is enlisted as a “AA” class contractor with the Public Works Department (PWD), Government of Rajasthan, Jaipur Development Authority (JDA), Water Resources Department (WRD), Government of Rajasthan, and the Rajasthan Housing Board (RHB).

Key financial indicators (audited)

RIPL	FY2024	FY2025	H1 FY2026*
Operating income (Rs. crore)	696.9	1,378.3	552.3
PAT (Rs. crore)	59.7	105.9	31.7
OPBDIT/OI (%)	14.4%	13.5%	11.4%
PAT/OI (%)	8.6%	7.7%	5.7%
Total outside liabilities/Tangible net worth (times)	0.8	0.8	0.8
Total debt/OPBDIT (times)	0.9	0.7	1.4
Interest coverage (times)	11.8	8.5	6.1

Source: Company, ICRA Research; *Provisional numbers; All ratios as per ICRA's calculations; OI: Operating income; PAT: Profit after tax; OPBDIT: 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 (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Jan 30, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash credit	Long-term	80.00	[ICRA]A (Stable)	Mar 26, 2025	[ICRA]A- (Positive)	Mar 26, 2024	[ICRA]A- (Stable)	Mar 16, 2023	[ICRA]BBB+; Rating Watch with Developing Implications
			-	Dec-05-24	[ICRA]A- (Stable)	Dec 13, 2023	[ICRA]A- (Stable)	Sep 20, 2022	[ICRA]BBB+ (Stable)
			-	-	-	Oct 04, 2023	[ICRA]A- (Stable)	-	-
			-	-	-	May 02, 2023	[ICRA]BBB+ (Stable)	-	-
Non-fund based – Bank guarantee	Long-term/Short-term	470.00	[ICRA]A (Stable)/ [ICRA]A1	Mar 26, 2025	[ICRA]A- (Positive)/ [ICRA]A2+	Mar 26, 2024	[ICRA]A- (Stable)/ [ICRA]A2+	Mar 16, 2023	[ICRA]BBB+; Rating Watch with Developing Implications / [ICRA]A2; Rating Watch with Developing Implications
			-	Dec-05-2024	[ICRA]A- (Stable)/ [ICRA] A2+	Dec 13, 2023	[ICRA]A- (Stable)/ [ICRA] A2+	Sep 20, 2022	[ICRA]BBB+ (Stable)/ [ICRA]A2
			-	-	-	Oct 04, 2023	[ICRA]A- (Stable)/ [ICRA] A2+	-	-
			-	-	-	May 02, 2023	[ICRA]BBB+ (Stable)/ [ICRA] A2	-	-
Unallocated	Long-term/ Short-term	-	-	-	-	Mar 26, 2024	[ICRA]A- (Stable)/ [ICRA] A2+	-	-
			-	-	-	Dec 13, 2023	[ICRA]A- (Stable)/ [ICRA] A2+	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based – Cash credit	Simple
Non-fund based – Bank guarantee	Simple

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	Fund-based – Cash credit	NA	NA	NA	80.00	[ICRA]A (Stable)
NA	Non-fund based – Bank guarantee	NA	NA	NA	470.00	[ICRA]A (Stable)/ [ICRA]A1

Source: Company, ICRA Research

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

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Udgir Raavi Highways Private Limited	100.00%	Limited consolidation

Source: Company, ICRA Research

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