

June 12, 2026

## Rithwik Mbr Infra Private Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	349.77	364.00	[ICRA]BBB+ (Stable); Reaffirmed
Long-term – Non-fund based – Bank guarantee	21.57	-	-
<b>Total</b>	<b>371.34</b>	<b>364.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating reaffirmation for Rithwik MBR Infra Private Limited (RMIPL) factors in the material reduction in execution risk, following the receipt of provisional completion certificate<sup>1</sup> (PCC) for 39.29 km, as well as completion of the de-linked portion of 1.1 km stretch. The total project stretch is of 45.14 km, of which 4.75 km has been de-scoped, and the rest has been fully constructed under the hybrid annuity mode (HAM) in Andhra Pradesh. While the PCC was granted for the reduced scope of 39.29 km, the project cost has been finalised by the authority for the revised project length. The first annuity was received based on the entire balance completion cost of Rs. 415.98 crore (for project length of 40.39 km). The company has received the first annuity payment, in a timely manner, without any major deductions and created a partial debt service reserve (DSR) of Rs. 10.00 crore and major maintenance reserve (MMR) of Rs. 1.2 crore in April 2026. The balance DSR of around Rs. 12 crore shall be created from the receipt of second annuity payment, which is due in September 2026.

The rating considers the structural features of the debt, including the presence of escrow, cash flow waterfall mechanism, provision for debt service reserve (DSR, equivalent to six months of principal and interest obligations, to be created out of the first two annuities), major maintenance reserve (MMR), restricted payment clause and the sponsor support undertaking. Rithwik Projects Private Limited (RPPL, rated [ICRA]A- (Stable)/A2+) has provided an undertaking towards financial support for RMIPL in case of any shortfall in debt servicing, cost overruns, operations and maintenance (O&M) and major maintenance expenses, including delays in annuity receipts, and ensuring timely servicing of all obligations under the facility throughout the tenor of the loan, which provides comfort. ICRA also notes that the interest rate risk is mitigated as interest on both the annuities and term loan are linked to MCLR benchmarks. However, ICRA notes that timely receipt of annuity payment without any delays remains critical for debt servicing, given the gap of 22 days between the scheduled annuity due date and the debt servicing date. This is, nonetheless, largely mitigated by the presence of DSRA in case of any delay in annuity receipts and timely payment track record of the National Highway Authority of India (NHAI, rated [ICRA]AAA(Stable)), which is a key Central Government entity responsible for development and maintenance of India's national highway programme.

Post the achievement of PCC, the company has refinanced its existing term loan through a Rs. 390.0-crore facility sanctioned by Canara Bank, of which Rs. 364.0 crore was disbursed on April 20, 2026, with no further drawdowns expected. The proceeds were primarily utilised towards closure of the outstanding existing term debt of Rs. 315.0 crore, with the balance utilised towards repayment of unsecured loans of the sponsor. Following the recent upstreaming of funds by the sponsor through the top-up loan and annuity receipt, RMIPL's liquidity has moderated temporarily. However, the management has indicated that this one-off instance of upstreaming of funds is not likely to continue going forward. Since the DSR is yet to be fully created, RMIPL might rely on timely financial support from the sponsor group in case of material delays or deductions in the annuity receipts. ICRA expects the liquidity to improve over the medium term, supported by steady annuity inflows.

<sup>1</sup> with effect from September 09, 2025

The sponsor has demonstrated timely financial support in the recent past. ICRA expects the same to continue, if required, given the presence of sponsor support undertaking, thereby providing comfort. Nevertheless, any incremental upstreaming of cash balances to the parent or group entities adversely impacting its liquidity position will be a credit negative.

The rating factors in the low inherent risks in HAM projects with stable revenue stream after commissioning with 60% of the inflation-adjusted bid project cost (BPC) being paid out as annuity, along with interest at average of one-year MCLR of top five scheduled commercial banks plus 125 bps and O&M payments (adjusted for inflation) over the term of the concession from the project owner and annuity provider, NHAI.

The rating is, however, constrained by the exposure of O&M receipts to inflation risk, as the inflation indexation [70% Wholesale Price Index (WPI) and 30% Consumer Price Index (CPI)] may not be adequate to compensate for the actual increase in O&M/periodic maintenance expenses. ICRA notes the single-asset nature of the project, which exposes it to revenue concentration risk. Consequently, RMIPL's debt coverage metrics are vulnerable to the risk of deductions from annuity and O&M receipts. Hence, the company must ensure satisfactory upkeep of the carriageway and undertake O&M of the project stretch as per the Concession Agreement (CA) to avoid any deductions from annuities. Undertaking routine and periodic maintenance in a timely manner and within the budgeted costs would remain important. Any material increase in regular or periodic maintenance expenditure will have an adverse impact on the debt coverage metrics and remain a key credit sensitivity. Nevertheless, the presence of undertaking from RPPL towards financial support for RMIPL in case of any shortfall in debt servicing, cost overruns, O&M and maintenance expenses, provides comfort.

The Stable outlook on the long-term rating reflects ICRA's opinion that RMIPL will benefit from the operational status of the project, and the expectation of timely receipt of annuities, along with presence of a strong counterparty.

## Key rating drivers and their description

### Credit strengths

**Operational status of the project eliminates execution risk** – RMIPL received PCC with effect from September 09, 2025, for 39.29 km stretch, out of the total project length of 45.14 km, following the de-scoping of 4.75 km and de-linking of 1.1 km, for the four-lane national highway project under HAM in Andhra Pradesh. The company has completed the construction of the de-linked portion of 1.1 km stretch including all punch list items, largely mitigating the execution risk. While the PCC was granted for the reduced scope of 39.29 km, the project cost has been finalised by the authority for the revised project length. The first annuity was received based on the full balance completion cost of Rs. 415.98 crore (for project length of 40.39 km). The company has received the first annuity payment in a timely manner without any major deductions and created a partial DSR of Rs. 10.00 crore and MMR of Rs. 1.2 crore in April 2026. The balance DSR of around Rs. 12 crore shall be created from the receipt of second annuity payment, which is due in September 2026.

**Low inherent risk profile of HAM projects and structural features of debt** – The inherent benefits of the HAM project includes a stable revenue stream after commissioning of the project with 60% of the inflation-adjusted BPC being paid out as annuity, along with interest at an average of one-year MCLR of the top five scheduled commercial banks + 1.25% and the inflation-adjusted O&M cost bid over the 15-year operations period by the project owner, NHAI, which is a strong counterparty, provides comfort. The rating considers the structural features of the debt, including the presence of escrow, cash flow waterfall mechanism, provision for creation of DSR and MMR, restricted payment clause. Further, the interest rate risk is mitigated as interest on both the annuities and term loan are linked to MCLR benchmarks.

**Established track record of O&M contractor** – RMIPL is a subsidiary of RPPL, which has an experience of more than two decades in undertaking engineering, procurement and construction (EPC) projects in various infrastructure segments including roads, tunnels, railways, irrigation, hydro power and pumped storage projects among others. RPPL is the O&M contractor for the project stretch and has signed a fixed price contract with RMIPL for the entire operations period of 15 years. RPPL's established track record in executing projects within the budgeted time and cost provides comfort. Further, it has provided an undertaking towards financial support for RMIPL in meeting any shortfall in debt servicing, cost overruns, and O&M and major

maintenance expenses (including delays in annuity receipts), while ensuring timely servicing of all obligations throughout the loan tenor, supporting the credit profile.

### Credit challenges

**Moderate coverage indicators owing to top-up loan** – Post the achievement of PCC, the company refinanced its existing term loan through a Rs. 390.0-crore facility sanctioned by Canara Bank, against which Rs. 364.0 crore was disbursed on April 20, 2026, with no further drawdowns expected. The proceeds were primarily utilised towards closure of the outstanding existing term debt of Rs. 315.0 crore, with the balance utilised towards repayment of unsecured loans of the sponsor. Given the higher debt levels, the debt coverage metrics remain moderate over the loan tenor.

**Undertaking O&M as per concession requirement, cash flows and returns exposed to inflation risks** – RMIPL’s sources of income include the annuity, interest on outstanding annuities and annual O&M payments from the NHAI. ICRA notes the single-asset nature of the project, which exposes it to revenue concentration risk. Consequently, RMIPL’s debt coverage metrics are susceptible to the risk of deductions from annuity and O&M receipts. Hence, the company must ensure satisfactory upkeep of the carriageway and undertake O&M of the project stretch as per the Concession Agreement (CA) to avoid any deductions from annuities. Undertaking routine and periodic maintenance in a timely manner and within the budgeted costs would remain important. Any material increase in regular or periodic maintenance expenditure will have an adverse impact on the debt coverage metrics and remain a key credit sensitivity. Further, RMIPL’s cash flows are vulnerable to inflation risk as O&M receipts, though linked to inflation index (70% WPI and 30% CPI), may not be adequate to compensate for the actual increase in O&M/periodic maintenance expenses.

### Liquidity position: Adequate

The company’s liquidity position is adequate, supported by DSR of Rs. 10.00 crore, MMR of Rs. 1.20 crore, along with free cash and liquidity of Rs. 0.42 crore as on April 21, 2026. The cash flow from operations is expected to be sufficient to meet the debt servicing obligations during the tenure of the rated instruments. ICRA, however, notes that RMIPL’s liquidity has moderated temporarily following the recent upstreaming of funds by the sponsor, though the same is likely to be a one-off instance. The liquidity is anticipated to improve over the medium term, aided by stable annuity inflows. The demonstrated sponsor support, whenever needed, provides comfort.

### Rating sensitivities

**Positive factors** – The rating could be upgraded upon demonstration of sustained track record of annuity and O&M payments in a timely manner without any major deductions and creation of all the stipulated reserves.

**Negative factors** – Pressure on the rating could arise if there are any major deductions or delays in the receipt of semi-annual annuities or O&M payments, or if the O&M expenses significantly exceed the base case estimates. Increase in indebtedness leading to material reduction in debt coverage metrics or non-adherence to the debt structure may also trigger a rating downgrade. Further, any incremental upstreaming of cash balances to parent or group entities, adversely impacting its liquidity position will be credit negative.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Roads – Hybrid Annuity</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

RM IPL was incorporated on August 29, 2022 as a special purpose vehicle (SPV) by RPPL (holding 74% stake) and NSPR (having 26% stake) for four laning from km 585.930 (Design Chainage 585.820) to km 628.555 (Design Chainage 630.960) of the section from Mydukur to Badvel on NH-67, under Bharatmala Pariyojna, in Andhra Pradesh, on a HAM basis. The company has signed the concession agreement for the project with the NHA1 on October 28, 2022, for a concession period of 17 years including construction period of 2 years (730 days) beginning from September 21, 2023 (appointed date). It received the provisional completion certificate (PCC-1) on November 17, 2025 (w.e.f. September 09, 2025) for project length of 39.29 km, following the de-scoping of 4.75 km from the original project length of 45.14 km. This covers nearly 97% of the revised project length of 40.39 km. The work for the remaining 1.1 km has been completed. However, the completion certificate from the department is still pending.

## Key financial indicators (audited)

	FY2025	FY2026*
Operating income	393.7	239.6
PAT	42.2	9.5
OPBDIT/OI	16.8%	6.7%
PAT/OI	10.7%	4.0%
Total outside liabilities/Tangible net worth (times)	3.5	4.7
Total debt/OPBDIT (times)	3.6	24.2
Interest coverage (times)	5.3	0.6

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; RM IPL follows Ind AS and key financial ratios are not representative of actual cash flows

## Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	FY2027		FY2026		FY2025		FY2024	
		Amount rated (Rs. crore)	June 12, 2026	Date	Rating	Date	Rating	Date	Rating
Non-fund based – Bank guarantee	Long Term	-	-	-	-	Mar 12, 2025	[ICRA]BBB+ (Stable)	-	-
Fund-based – Term loan	Long Term	364.00	[ICRA]BBB+ (Stable)	-	-	Mar 12, 2025	[ICRA]BBB+ (Stable)	-	-

**Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026**

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) )	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	March 2026	NA	September 2039	364.00	[ICRA] BBB+ (Stable)

Source: Company

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

### Annexure III: List of entities considered for consolidated analysis: Not Applicable

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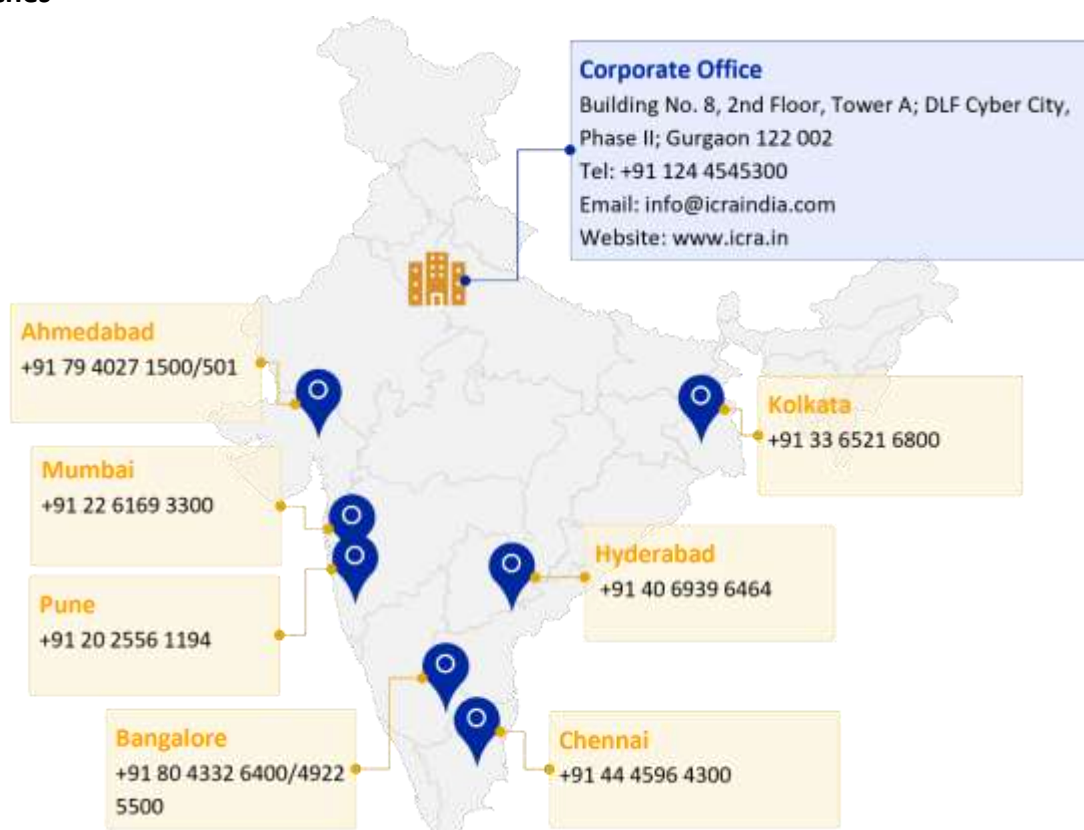
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