



Press Release

RPP Infra Projects Limited

October 29, 2025

Ratings

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
1.	Long Term Bank Facilities	63.00	IVR BBB+/Stable; Withdrawn (IVR Triple B Plus with Stable Outlook; Withdrawn)	IVR BB+ /Negative/ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook/INC*)	Rating Upgraded, Outlook Revised, Removed from ISSUER NOT COOPERATING category and simultaneously Withdrawn	Simple
2.	Short Term Bank Facilities	288.52	IVR A2; Withdrawn (IVR A Two; Withdrawn)	IVR A4+/ISSUER NOT COOPERATING* (IVR A Four Plus/INC*)	Rating Upgraded, Removed from ISSUER NOT COOPERATING category and simultaneously Withdrawn	Simple
	Total	351.52	Rupees Three Hundred Fifty One Crore and Fifty Two Lakhs Only			

*ISSUER NOT COOPERATING; Based on best available information.

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has upgraded the long-term rating to IVR BBB+ with Stable outlook and removed it from the “ISSUER NOT COOPERATING” category. Simultaneously, the rating assigned to the bank loan facilities of RPP Infra Projects Limited (RPP IPL) has been withdrawn with immediate effect. This action has been taken at the request of RPP IPL and based on the ‘No Objection Certificate’ and ‘No Due Certificate’ received from Indian Overseas Bank, Canara Bank, HDFC Bank, Bank of India and Indian Bank respectively, which had extended the rated facilities. The rating is being withdrawn in accordance with Infomerics’ Policy on Withdrawal of ratings.



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The rating continues to draw comfort from the experienced promoters and long track record of operations, healthy order book position indicating medium term revenue visibility, continuous improvement in scale of operations and profitability margins, comfortable capital structure and debt protection metrics. However, these rating strengths are partially offset by tender driven nature of business in highly fragmented & competitive construction sector, inherent risk as an EPC contractor and susceptibility of operating margin to volatile input prices.

The 'Stable' outlook indicates that the company is expected to continue benefiting from its healthy order book, which provides medium-term revenue visibility and is likely to support an improvement in its overall financial performance.

IVR has principally relied on the audited financial results of RPPIPL's up to 31 March 2025 (i.e. review period from 1st April 2024 to 31st March 2025), and projected financials for FY2026, FY2027 and FY2028 and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities: Not Applicable

List of Key Rating Drivers with Detailed Description

A. Key Rating Strengths

- **Experienced promoters and long track record of operations:**

The promoters of the company are qualified and have extensive experience of over three decades in the civil construction industry. Such a long stand in the industry provides them with a competitive edge in establishing strong relationships with suppliers and customers. The company was formed in 1995 and has smooth business cycles. Moreover, RPPIPL is managed by qualified professionals having the requisite technical knowledge and skills thereby providing synergistic advantage to the company in terms of successful project execution and commissioning.

- **Healthy order book position indicating medium term revenue visibility:**

As of June 30, 2025, holds an unexecuted order book valued at Rs.2802.00 crore, which represents approximately 1.93 times its FY2025 revenue. The order book comprises projects from reputed government departments and public sector entities, ensuring a steady inflow of revenue and reduced counterparty risk. The diversified order book across various states and segments also supports business sustainability and growth prospects. Timely execution of these orders will be crucial for maintaining the company's revenue momentum and overall credit profile.



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- **Continuous improvement in scale of operations and profitability margins:**

The total operating income of the company grew at a CAGR of 22.30% during FY2023-FY2025, to Rs.1431.55 crore, due to healthy order book accretion and execution. The EBITDA has improved from 5.25% in FY2024 to 6.46% respectively in FY2025 due to lower raw material cost. PAT margin has marginally decline from 4.75% in FY2024 to 4.52% in FY2025 due to lower non-operational income as compared to previous financial year.

- **Comfortable capital structure and debt protection metrics:**

The capital structure of the company is comfortable with an overall gearing ratio stood constant at 0.4x in FY2025. The total indebtedness of the company as reflected by TOL/TNW improved marginally from 0.98x in FY2024 to 0.80x in FY2025. The debt protection metrics stood healthy marked by Interest Service Coverage Ratio (ISCR) of 8.02x and Debt Service Coverage Ratio of 3.01x in FY2025 as compared to 5.83x and 2.13x respectively in FY2024.

Key Rating Weaknesses

- **Tender driven nature of business in highly fragmented & competitive construction sector:**

Executing newly awarded projects in a timely manner will be key to achieving growth in revenues and profits. Business certainty is dependent on the company's ability to successfully bid for the tenders as entire business is tender based. The domestic infrastructure sector is highly fragmented marked by the presence of many players with varied statures & capabilities. A boom in the infrastructure sector, a few years back, resulted in increase in the 4 number of players. While the competition is perceived to be healthy, significant price cut by few players during the bidding process could adversely impact the profitability.

- **Inherent risk as an EPC contractor and susceptibility of operating margin to volatile input prices:**

Delay in payments from the Government, project execution risk and fluctuating input costs are the key business risk faced by the company in the sector. The raw material (steel, Cement etc) & labour (including sub-contracting) cost forms the majority chunk of the total cost of sales which are volatile in nature and could adversely affect the profitability of the company. However, presence of price variation clause on eligible project of less than 25% mitigates the risk to some extent.

Analytical Approach: For arriving at the ratings, INFOMERICS has applied its rating methodology as detailed in the rating criteria below. IVR has analysed RPPIPL's credit profile by considering the standalone financial statements of the company.



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Applicable Criteria:

- [Rating Methodology for Infrastructure Companies.](#)
- [Financial Ratios & Interpretation \(Non-Financial Sector\).](#)
- [Criteria for assigning Rating outlook.](#)
- [Policy on Default Recognition](#)
- [Complexity Level of Rated Instruments/Facilities](#)
- [Policy on withdrawal of ratings](#)

Liquidity – Adequate

RPPIPL's liquidity position is adequate marked by gross cash accruals of Rs.70.51 crore as against the repayment obligation of Rs.15.71 crore in FY2025. Further, the company is expecting the gross cash accruals in the range of Rs.77.86 crore to Rs.85.87 crore which are sufficient for future repayment obligation for the projected years from FY2026-28. The current ratio of the company stood moderate at 1.67x as on March 31, 2025.

About the Company

RPPIPL is one of the leading and rapidly growing integrated EPC companies in India with a well-diversified presence in highways, roads & bridges, civil construction (water management), irrigation, mass & affordable housing, and power projects. The Company has successfully executed 200+ civil construction projects till date across various segments. Over the years, the Company has consciously focused on small to medium government projects with a presence in the southern states, such as Karnataka, Tamil Nadu, Telangana and Andhra Pradesh.

Financials (Standalone):

For the year ended*/As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	1333.61	1432.58
EBITDA	70.07	92.48
PAT	65.51	65.47
Total Debt	171.27	209.98
Tangible Net worth	415.72	508.41
EBITDA Margin (%)	5.25	6.46
PAT Margin (%)	4.75	4.52
Overall Analysed Gearing Ratio (x)	0.42	0.42
Interest Coverage Ratio (x)	5.83	8.02

**Classification as per Infomerics' standards*



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Status of non-cooperation with previous CRA: Brickwork Ratings vide press release dated June 9, 2025, has continued to classify the case under “ISSUER NOT COOPERATING” category on account of non-submission of relevant information.

Any other information: Nil

Rating History for last three years:

Sr. No .	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (March 4, 2025)	Date(s) & Rating(s) assigned in 2023-24 (January 19, 2024)	Date(s) & Rating(s) assigned in 2022-23 (February 2, 2023)
1.	Fund Based	Long Term	63.00	IVR BBB+/ Stable; Withdrawn	IVR BB+/ Negative/ INC	IVR BBB-/ Stable	IVR BB/Negative/ INC
2.	Non Fund Based	Short Term	288.52	IVR A2; Withdrawn	IVR A4+/ INC	IVR A3	IVR A4/ INC

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [Formerly Infomerics Valuation and Rating Private Limited] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.



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For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	63.00	IVR BBB+/Stable; Withdrawn
Letter of Guarantee	-	-	-	185.00	IVR A2; Withdrawn
Bank Guarantee	-	-	-	103.52	IVR A2; Withdrawn

Annexure 2: Facility wise lender details: <https://www.infomerics.com/admin/prfiles/Len-RPPIinfra29Oct2025.pdf>

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [Complexity Level of Rated Instruments/Facilities](#).