



## Press Release

### RBM Infracon Limited

**May 13, 2025**

#### **Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><u>Complexity Indicator</u></b>
Long Term Bank Facilities	8.95	IVR BBB/Stable [IVR Triple B with Stable Outlook]	IVR BBB-/Stable [IVR Triple B Minus with Stable Outlook]	Rating Upgraded	Simple
Short Term Bank Facilities	16.25	IVR A3+ [IVR A Three Plus]	IVR A3 [IVR A Three]	Rating Upgraded	Simple
<b>Total</b>	<b>25.20</b> <b>(Twenty-five crore and twenty lakh only)</b>				

**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 Ratings has upgraded its rating assigned to the existing Bank facilities of RBM Infracon Limited (RBMIL) based on the strength it derives from its strong order book, reputed client profile and comfortable capital structure & debt protection metrics. The rating is however constrained on account of geographical concentration risk, execution risk and competitive nature of the industry.

Infomerics Ratings expects outlook to remain stable considering healthy order book and comfortable capital structure.

#### **Key Rating Sensitivities:**

##### **Upward Factors**

- Growth in scale of operation with improvement in profit margins leading to improvement in cash accruals on sustained basis.
- Increase in order book and timely execution of the same.

##### **Downward Factors**

- Decline in the scale of operations due to significant delays in execution, adversely impacting its financial performance and liquidity position.



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- Stretch in receivables thus leading to increase in working capital requirements and strain on the liquidity.

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Strong order book leading to strong revenue visibility:**

RBMIL has strong order book of Rs.1,245.85 crore (9.60x of revenue as on March 31, 2024), which provides strong revenue visibility. Out of the total order book of Rs.1,245.85 crore out of which 75% of the order book is from Epitome Industries Limited, as per the management the project execution is as per schedule. Apart from this, RBMIL has also undertaken a long-term project with Oil & Natural Gas Corporation Limited for a term of 15 years (Extendable up to 20 years) for Rs. 3497 crores.

- **Strong operating profile, albeit low scale of operations; likely to improve with strong order book:**

RBMIL witnessed a sustained growth in operation with increase of about ~56% in revenue to Rs. 129.73 Crore in FY24 (refers to period of April 01, 2023 to March 31, 2024) (FY23 Rs. 83.19 Crore). Further, the total operating income has increased substantially by in 9MFY25 to Rs. 168.51 as the company has continued execution of its healthy order book. The earnings before interest, debt, tax and amortization (EBITDA) & Profit after Tax (PAT) margins of the company have improved from 5.64% & 2.66% in FY23 to 14.54% & 8.54% in FY24 majorly on account of high margin contracts executed by the company. The margins have remained stable in 9MFY24 with EBITDA & PAT at 14.62% & 9.82 respectively.

- **Reputed client profile, leading to low counterparty risk**

RBMIL has a long-term relationship with reputed clients for construction and maintenance projects, the current client base that the company caters includes Reliance Industries Limited, Nayara Energy Limited, Yara Fertilizers, Malco Energy Limited, etc. Most of these clients are industry leaders with stable business and a strong credit profile which lower counterparty risk for RBMIL.

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

Overall indebtedness of the company, marked by TOL/TNW and Overall Gearing has improved and stood at 1.21x and 0.11x as on FY24 as against 1.40x and 0.47x as on FY23



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respectively. The interest coverage ratio stood at 10.15x in FY24 compared to 5.07x in FY23. The debt coverage indicators as depicted by Total Debt/EBITDA improved at 0.56x in FY24 (1.73x in FY23).

### Key Rating Weaknesses

- **Execution Risk**

The company's ability to raise resources and complete the order book as per the pre-dedicated schedule will determine timely billing and revenue recognition for RBMIL. Any delay in execution on the company's part will not only hamper its operating performance but also impact its long-term client relationships and image in the market. Execution risks for newly awarded projects in a timely manner will be key to achieving growth in revenues and profits.

- **High geographical concentration risks**

The major portion of the company's revenues and the current order book are concentrated in the state of Gujarat (~88% of the total revenue in FY24). Though the company is executing orders in other states as well, the proportion of the same in the revenue and order book remains low, exposing RBMIL to high geographical concentration risk.

- **Presence in a highly competitive industry**

The domestic infrastructure/construction sector is highly fragmented with presence of many players with varied statures & capabilities. While the competition is perceived to be healthy, significant price cut by few players during the bidding process can impact RBMIL in maintaining its sustainability and margins.

**Analytical Approach:** Standalone

**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](#)



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### **Liquidity – Adequate**

The company had gross cash accruals of Rs. 12.36 Crores in FY24. The overall average utilisation of the Cash Credit facilities remains at ~87% during the last 12 months ended February 2025. The current ratio stood at 1.78x and the cash and cash equivalent amounted to Rs. 5.70 crore as on March 31, 2025. The company has an adequate liquidity profile with absence of any long-term repayment obligations over the medium term.

### **About the Company**

RBM Infracon Limited (RBMIL) was initially formed as a private limited concern in 1992. Later, in 2013, it was reconstituted as a public limited company. RBMIL is an ISO 9001:2015 accredited Company and it is a specialist contractor for Construction, Maintenance and Turnaround services to Oil & Gas Refineries, Petrochemicals, Fertilizers, Gas Cracker Plants Coal/Gas/WHR based Power Plants, Chemicals, Cement, Fertilizers, Sugar Plants, Paper Plants, Irrigation and other allied sectors.

### **Financials (Standalone):**

For the year ended/ As on*	31-03-2023	31-03-2024
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	83.19	129.73
EBITDA	4.69	18.86
PAT	2.21	11.09
Total Debt	8.11	10.60
Tangible Net Worth	17.18	97.17
EBITDA Margin (%)	5.64	14.54
PAT Margin (%)	2.66	8.54
Overall Gearing Ratio (x)	0.47	0.11
Interest Coverage (x)	5.07	10.15

*\* Classification as per Infomerics' standards.*

**Status of non-cooperation with previous CRA: Nil**

**Any other information: None**

**Rating History for last three years:**



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
						(March 14, 2024)	
1.	Long Term Fund Based Bank Facilities - Cash Credit	Long Term	8.95	IVR BBB / Stable	-	IVR BBB- / Stable	-
2.	Short Term Fund Based Bank Facilities - Bill Discounting Facility	Short Term	12.00	IVR A3+	-	IVR A3	-
3.	Short Term Non-Fund Based Bank Facilities - Bank Guarantee	Short Term	4.25	IVR A3+	-	IVR A3	-

*\* Issuer did not cooperate; Based on best available information*

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### About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] 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.





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

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Bank Facilities - Cash Credit	—	—	—	—	8.95	IVR BBB / Stable
Short Term Fund Based Bank Facilities - Bill Discounting Facility	—	—	—	—	12.00	IVR A3+
Short Term Non- Fund Based Bank Facilities - Bank Guarantee	—	—	—	—	4.25	IVR A3+

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-RBM-Infra-13may25.pdf>

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

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



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**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 [www.infomerics.com](http://www.infomerics.com).

