Rajkamal Builders Infrastructure Private Limited

September 29, 2025

Ratings

Security/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	32.25 (Enhanced from Rs.27.25 crore)	IVR A-/Stable [IVR Single A Minus with Stable Outlook]	IVR A-/Stable [IVR Single A Minus with Stable Outlook]	Rating Reaffirmed	Simple
Short Term Bank Facilities	487.60 (Enhanced from Rs.407.60 crore)	IVR A2+ [IVR A Two Plus]	IVR A2+ [IVR A Two Plus]	Rating Reaffirmed	Simple
Total	**519.85 (Rupees Five Hundred and Nineteen crore and Eighty-Five Lakhs only)**				

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

The reaffirmation of ratings assigned to the bank facilities of Rajkamal Builders Infrastructure Private Limited (RBIPL) considers the close operational & financial linkages between RBIPL and its group concerns, Rajkamal Build-Tech LLP, Devraj Infrastructure and M/s Rajkamal Builders. Infomerics Ratings has taken a combined view on these entities referred together as the Rajkamal Group (RKG). The ratings continue to derive comfort from its experienced promoters with proven project execution capability coupled with reputed clientele indicating lower counterparty credit risk. The ratings also positively note the improvement in overall profitability in FY2025 (Provisional) [refers to the period from April 01 till March 31] albeit decrease in total operating income (TOI) and strong outstanding order book position of Rs.1977.38 crore as on July 31, 2025, indicating a healthy near to medium term revenue visibility. The ratings also consider the comfortable capital structure of the group supported by strong net worth base coupled with healthy debt coverage indicators in FY2025 (Provisional). However, the ratings remain constrained due to RKG's exposure to geographical concentration risks, susceptibility of operating margin to volatile input prices, working capital intensive nature of its operations and risks associated with construction sector including sizeable non-fund-based exposure.

The stable outlook reflects the expected stable business performance of the company on the back of its experienced promoters and healthy order book position indicating satisfactory near to medium term revenue visibility.

Key Rating Sensitivities:

Upward Factors:

- Sustained improvement in the revenue while maintaining the profit margins leading to improvement in cash accruals
- Sustenance of the capital structure with improvement in debt protection metrics
- Effective management of working capital leading to reduction in its operating cycle and improvement in liquidity position of the company

Downward Factors:

- Dip in the revenue and/or profitability impacting the net cash accruals on a sustained basis
- Any withdrawal of subordinated unsecured loans resulting in moderation in the capital structure of the company with overall gearing over 1x and/or deterioration in debt protection parameters with ICR below 2.50x.
- Elongation of the operating cycle leading to moderation in overall liquidity position of the company

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters**

RBIPL is managed by the Promoter Director Mr. Mafatlal Bhagwandas Patel who is also the Chairman of the company. He is a civil engineer by qualification and possesses over four decades of experience in the construction industry. He is supported by the other Directors who are members of the same family with adequate experience in the industry. The promoters are well supported by a team of experienced professionals, who are at the helm of managing the day-to-day affairs of the company.

- **Proven project execution capability**

Over the past years, the company has successfully completed many projects primarily in the state of Gujarat and Rajasthan and ensured timely completion of all its projects. The repeat orders received from its clientele validate its construction capabilities.

- **Reputed clientele**

RBIPL mainly bids for tenders floated by various government departments/entities and is engaged in civil construction of roads, bridges, buildings, pipelines, sewerage and water treatment plants, etc. Since all the customers being government departments, it imparts comfort with lower counterparty credit risk.

- **Strong order book reflecting healthy near to medium-term revenue visibility**

As on July 31, 2025, RBIPL has a healthy unexecuted order book of about Rs.1977.38 crore (including Operation and Maintenance work of Rs.389.74 crore), i.e.4.07 times of its FY25 consolidated total operating income (i.e.Rs.485.32 crore), thereby providing healthy medium-term revenue visibility. The present order book is skewed towards road and bridge construction and STP contracts in Rajasthan, Gujrat and Madhya Pradesh. Most of the orders are expected to be completed in the next 1-3 years and the Operation & Maintenance (O&M) work will be executed over a period of five-ten years depending on the terms of the contract. Timely execution and completion of the orders would remain a key monitorable going forward.

- **Improvement in overall profitability in FY2025 (Prov.), albeit decrease in Total operating income (TOI)**

Total operating income (TOI) on a consolidated level decreased from Rs.537.16 crore in FY24 to Rs.485.32 crore in FY25 (Prov.) due to slow down in execution of orders owing to land possession and drawing approvals not being received timely from the government department. Despite the decrease in top line, EBITDA margin increased from 7.22% in FY24 to 13.76% in FY25 (Prov.) driven by higher execution of STP/WTP contracts which fetch relatively higher margins. Out of the total work certified of Rs. ~671 crore till July 31, 2025, Rs. ~278 crore is from STP/WTP contracts. The remaining is from road and bridges (Rs. ~332 crore) followed by O&M (Rs. ~61 crore). Also, the decrease in raw material prices, primarily steel added to the increase in operating margin in FY25 (Prov.). Consequently, PAT margin also increased from 3.36% in FY24 to 7.24% in FY25 (Prov.). On absolute level, PAT almost doubled from Rs.18.71 crore in FY24 to Rs.35.57 crore in FY25 (Prov.). This is also due to non-payment of remuneration to the partners in the partnership firms (Devraj Infrastructure and Rajkamal Build Tech LLP) in FY25. The partnership deed of both the firms was amended during Q3FY25 whereby the partners agreed to non-payment of remuneration to any of the partners from FY25 fiscal year. The group achieved a PAT of Rs.14.58 crore on a TOI of Rs.194.72 crore during 5MFY26 vis-à-vis a PAT of Rs.11.20 crore on a TOI of Rs.124.12 crore during 5MFY25. The ability of the group to increase its scale of operations without compromising on its profit margins will remain a key rating monitorable going forward.

- **Comfortable capital structure supported by strong net worth base and healthy debt protection metrics**

The group has a strong adjusted net worth (ATNW) base of Rs.264.98 crore as on March 31, 2025 (Prov.) [considering subordinated unsecured loans to the tune of Rs.60.00 crore as quasi equity.] despite redemption of preference shares to the tune of Rs.87.85 crore in FY25, a major portion of which was reintroduced in the group in the form of unsecured loans (total unsecured loans infused in the group was Rs.72.04 crore in FY25). The debt profile of the group majorly constitutes unsecured loans from promoters and relatives (unsubordinated) and working capital borrowings. Overall gearing continued to remain comfortable at 0.35x as on March 31, 2025 (Prov.). Total indebtedness as reflected by TOL/ATNW stood comfortable at 0.87x as on March 31, 2025 (Prov.). Aided by increase in profitability, the debt coverage indicators marked by ICR improved from 2.27x in FY24 to 4.13x in FY25 (Prov.). Total debt/EBITDA and Total debt/NCA also improved from 2.44x and 4.71x respectively as on March 31, 2024, to 1.40x and 2.45x respectively as on March 31, 2025 (Prov.).

- **Strong demand potential**

The company undertakes turnkey projects for water, sewage and effluent treatment. The plants have been installed mainly at municipal locations. In India the demand for STP's is high as the water infrastructure and wastewater management is relatively a newer concept in the country and has immense scope going forward.

Key Rating Weaknesses

- **Geographical concentration risk**

The present order book is skewed towards Gujarat, Rajasthan, Madhya Pradesh and Maharashtra indicating a geographical concentration risk to a certain extent. However, the company has adequate experience in executing projects in these states which provides comfort.

- **Susceptibility of operating margin to volatile input prices**

The raw material & labour (including sub-contracting) cost forms the majority chunk of the total cost of sales for the company. As the raw material prices & labour (including sub-contracting) cost are volatile in nature, the profitability of the company is subject to fluctuation in raw material prices & labour (including sub-contracting) cost. However, the risk is largely mitigated in the case of contracts that include an escalation clause.

- **Working capital intensive nature of operations**

The operations of the group are working capital intensive in nature marked by its elongated operating cycle which further moderated from 103 days in FY24 to 137 days in FY25 (Prov.). The average inventory period is generally high in the civil construction industry since it takes around 1-3 years to complete a single contract resulting in high amount of work in progress. Also, the average collection period is generally in the range of 30 – 60 days from the date the bill is raised to the department. The company gets a credit of around 30-45 days from its raw material suppliers. Infomerics believes that the group's operations will remain working capital intensive over the medium term.

- **Risks associated with construction sector including sizeable non-fund based exposure**

The civil construction industry is intensely competitive on account of its fragmented nature along with the presence of several players. This coupled with the lowest-bidding-business-procurement structure keeps the margins of all players, including RKG under check. The heightened competition could exert pressure on RKG's profitability. Moreover, the company is also exposed to risks inherent in the construction sector, such as a slowdown in new order inflows and the risks of delays in execution. RKG is also exposed to sizeable contingent liabilities in the form of bank guarantees mainly for mobilisation advances, contractual performance and retention money. Nonetheless, Infomerics draws comfort from RKG's execution track record and absence of any invocation of guarantees in the past.

Analytical Approach: Combined

For arriving at the ratings, Infomerics has combined the financials of Rajakaml Builders Infrastructure Private Limited (RBIPL), Rajkamal Build-Tech LLP, Devraj Infrastructure and M/s Rajkamal Builders, together referred as Rajkamal Group (RKG) as these entities have a common management team and strong operational & financial linkages. List of entities considered for combined analysis is given at Annexure 4.

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

Consolidation of companies

Liquidity – Strong

The liquidity of the group is strong marked by its sufficient cash accruals against insignificant debt repayment obligations during FY26-28 coupled with high gearing headroom underpinned by its comfortable capital structure. The overall gearing stood comfortable at 0.35x as on March 31, 2025 (Prov.) on a consolidated level. Moreover, the average working capital utilisation for the past twelve months ended August 2025 also remained low at ~3% indicating a sufficient cushion. RKG also has adequate unutilised non-fund-based limits with moderate utilisation at ~74% in the last 12 months ended August 2025 to support its operations in the near term. Furthermore, the group has free cash and cash equivalents to the tune of Rs.17.80 crore as on August 31, 2025, which is expected to support the liquidity position of the group in the near to medium term.

About the Company

Rajkamal Builders Infrastructure Private Limited (RBIPL; erstwhile Rajkamal Builders) was initially incorporated as a partnership firm in 1979 by Ahmedabad, Gujrat based Mr. Mafatlal Patel and Mr. Shankerlal Patel which later got converted into a private limited company in 1998. RBIPL is a “AA” class registered contractor with the Government of Gujarat and is engaged in civil construction and undertakes construction of bridges, roads, residential and commercial buildings, sewage treatment plant (STP), sewage pipeline, water treatment plant (WTP) and water pipeline facilities mainly for Municipal Corporations, Public Works Division, Railway Department, State and Central Government departments and companies. The company primarily has presence in Gujarat, Rajasthan, Madhya Pradesh, Odisha and Maharashtra.

The promoters have other entities in the name of Rajkamal Builders (RB; unrated), Rajkamal Build-Tech LLP (RBT LLP; unrated) and Devraj Infrastructure (DI; unrated) which does the subcontracting work for RBIPL. From FY2024 onwards, most of the subletting work of RBIPL is being done by RBT LLP and DI.

Over the years, RBIPL became specialized in installation and maintenance of Sewage Treatment plants.

Financials (Combined):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	537.16	485.32
EBITDA	38.79	66.78
PAT	18.71	35.57
Total Debt	94.62	93.51

Tangible Net Worth	269.16	204.98
Adjusted Tangible Net Worth	269.16	264.98
EBITDA Margin (%)	7.22	13.76
PAT Margin (%)	3.36	7.24
Overall Gearing Ratio (x)	0.35	0.35
Interest Coverage (x)	2.27	4.13

* *Classification as per Infomerics' standards.*

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	**31-03-2024**	**31-03-2025**
	Audited	**Provisional**
Total Operating Income	510.87	447.73
EBITDA	21.59	35.13
PAT	17.24	17.58
Total Debt	86.59	77.99
Tangible Net Worth	219.94	149.79
Adjusted Tangible Net Worth	219.94	209.79
EBITDA Margin (%)	4.23	7.85
PAT Margin (%)	3.25	3.88
Overall Gearing Ratio (x)	0.39	0.37
Interest Coverage (x)	1.60	2.61

* *Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA:

CRISIL Ratings has maintained the rating of RBIPL into the Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups vide its Press Release dated August 11, 2025.

Any other information: Nil

Rating History for last three years:

Sr. No.	**Name of Instrument/ Facilities**	**Current Rating (Year 2025-26)**			**Rating History for the past 3 years**		
		Type	**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**
					July 09, 2024	**May 11, 2023**	**April 27, 2022**
1.	Cash Credit	Long Term	32.25 (Enhanced from Rs.27.25 crore)	IVR A-; Stable	IVR A-; Stable	IVR A-; Stable	IVR A-; Stable
2.	Bank Guarantee	Short Term	467.60 (Enhanced from Rs.387.60 crore)	IVR A2+	IVR A2+	IVR A2+	IVR A2+

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Name of Instrument/ Facilities</th><th colspan="3">Current Rating (Year 2025-26)</th><th colspan="3">Rating History for the past 3 years</th></tr>
<tr><th>Type</th><th>Amount outstanding (Rs. Crore)</th><th>Rating</th><th>Date(s) & Rating(s) assigned in 2024-25</th><th>Date(s) & Rating(s) assigned in 2023-24</th><th>Date(s) & Rating(s) assigned in 2022-23</th></tr>
<tr><td>3.</td><td>Letter of Credit</td><td>Short Term</td><td>20.00</td><td>IVR A2+</td><td>IVR A2+</td><td>IVR A2+</td><td>-</td></tr>
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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.

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.

facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate	Tenor/ Maturity	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	32.25	IVR A-/Stable
Bank Guarantee	-	-	-	-	467.60	IVR A2+
Letter of Credit	-	-	-	-	20.00	IVR A2+

Annexure 2: Facility wise lender details:

https://www.infomerics.com/admin/prfiles/len-rajkamal-builders-sep25.pdf

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

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Entity	Consolidation/Combined Approach
Rajkamal Builders Infrastructure Private Limited	Full Combined
Rajkamal Build-Tech LLP	Full Combined
Devraj Infrastructure	Full Combined
Rajkamal Builders	Full Combined

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.