

RBM Infracon Limited

July 02, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 106.90 Crore (Enhanced from Rs. 25.20 crore)	Regulator[^]
Long Term Rating	IVR BBB+/Stable (Rating Upgraded)	RBI
Short Term Rating	IVR A2 (Rating Upgraded)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics ratings has upgraded its ratings to 'IVR BBB+/Stable' on the long-term bank facilities and also, upgraded its 'IVR A2' rating on the short-term bank facilities of RBM Infracon Limited (RBMIL).

The rating upgrade factors in the company's significant improvement in scale of operations, supported by healthy execution of projects and sustained order inflows, resulting in a strong order book that provides healthy revenue visibility over the near to medium term. The upgrade also reflects the company's comfortable financial risk profile, characterised by sustained profitability margins, healthy capital structure and debt protection metrics, along with its established presence and reputed client profile. The rating strengths, however, are partially offset by execution risks associated with large-value projects, the working capital-intensive nature of operations, and the highly competitive industry landscape.

Outlook: Stable

'Stable' outlook factors Infomerics Ratings belief that the company will continue to benefit from strong revenue visibility driven by robust order book.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Healthy revenue visibility supported strong order book**

The Company has demonstrated a significant improvement in its scale of operations, with strong growth in operating income by ~53% to Rs. ~492 crore in FY26 from Rs. ~322 crore in FY25, driven by higher execution of orders and maintenance contracts. The company had a healthy unexecuted order book of Rs. ~4,104 crore as of May 2026 supporting strong revenue visibility over the medium term. Order book, among other contracts, includes a large contract from ONGC Limited amounting to Rs. ~3,497 crore for production enhancement to be executed over 15-years period and an EPC project amounting to Rs. 957 crore from Epitome Industries India Limited. Further, operating margins of the company has improved to ~15% in FY2026 from ~13.3% in FY2025 (~14.5% in FY2024). Management is confident of surpassing the revenues of Rs ~700 crore during current fiscal 2027. Infomerics Ratings expects the company to sustain the operating margins over the medium term. Any delay in executing these projects impacting the operating margins will remain a key monitorable.

- **Reputed customer profile supporting low counterparty credit risk**

The Company has established long-standing relationships with reputed public and private sector clients such as ONGC Limited, Reliance Industries Limited, Nayara Energy Limited, Thyssenkrupp Uhde India Private Limited etc. This is expected to limit counterparty credit risk for the company and supports steady order inflows, although the same is partially offset by higher customer concentration risk.

- **Comfortable financial risk profile**

Total debt of the company has increased to Rs. ~144 crore in FY2026 from Rs. 11.4 crore in FY2025, primarily on account of procurement of machinery and equipment, and increased working capital requirement to support the execution of large contracts. Consequently, the overall gearing has moderated to 0.77 times as of March 2026 but remained at a comfortable level supported by healthy tangible net worth of Rs. ~188 crore. Further, debt coverage metrics remains strong reflected in interest coverage ratio of over ~12 times and Total Debt/EBITDA of 1.96 times. That said, going forward, any unplanned capital expenditure substantially impacting the debt protection metrics of the company will remain a key rating sensitivity factor.

Weaknesses

- **High working capital-intensive nature of operations**

The company's operations remain inherently working capital intensive, with sizeable funding requirements associated with the execution of large contracts. Consequently, the operating cycle has worsened reflected in terms of gross current assets (GCA) days to 403 days in FY26 from 313 days in FY25 driven by high unbilled revenue of Rs ~108 crore as per independent auditors' qualification for H2FY2026. While this increase was partially mitigated by way of increase in the payables cycle to 92 days (FY25: 39 days), the sustainability of such extended supplier credit remains to be demonstrated. Any moderation in creditor support could increase working capital requirements and reliance on bank borrowings. Further, the average fund-based working capital utilisation remained high at around 85% during the 12-month period ended May 2026.

- **Presence in a highly competitive industry**

RB MIL operates in the EPC and industrial maintenance segment, which is characterized by intense competition from several organized and regional players. Order inflows are largely secured through competitive bidding, resulting in pricing pressure and limiting margin expansion. Further, the business remains exposed to fluctuations in industrial capex, execution risks, and volatility in input and labor costs, which could impact profitability if not adequately managed.

Liquidity – Adequate

The liquidity profile of the company is expected to remain adequate, supported by positive cash flow from operations (CFO) projected over FY2027–FY2029, which is expected to be sufficient to meet its scheduled debt repayment obligations of Rs. 6 to 8 crore over the same period. The liquidity profile is further supported by cash and bank balance of Rs. 6.57 crore as on March 31, 2026. Further, the average fund-based working capital utilisation remained high at around 85% during the 12-month period ended May 2026.

Rating Sensitivities

Upward Factors

- Sustained improvement in the scale of operations and profitability with sustained debt protection metrics and leverage indicators with TOL/TNW being below unity.

- Timely execution along with diversification of the order book & client base with efficient working capital management.

Downward Factors

- Significant delays or cost overruns in the execution of large ongoing projects impacting the scale of operations and/or profitability leading to deterioration in liquidity.
- Any substantial deterioration in the capital structure or debt protection metrics leading to TOL/TNW remaining higher than 3.5x on sustained basis.

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.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	321.75	492.22
EBITDA	42.95	73.58
PAT	29.48	45.28
Total Debt	11.44	145.94
Tangible Net Worth (TNW)	128.64	187.54
EBITDA Margin (%)	13.35	14.95
PAT Margin (%)	9.14	9.19
Overall Gearing (times)	0.09	0.77
Interest Coverage (times)	28.82	12.24

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and Post – Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on withdrawal of ratings](#)

Status of non-cooperation with previous CRA: Nil

Any other information:

The statutory auditors of the company have issued a qualified opinion on the financial results for H2FY26 indicating non-verification of utilization of funds raised through the issuance of share warrants, as the management has not furnished the necessary details and information for their review. In this regard, Infomerics Ratings has noted the management's clarification during conference call convened for the H2FY2026 results.

Rating History for last three years

Sr. No.	Instruments / Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					May 13, 2025	-	March 14, 2024
1.	Fund Based facilities	LT	83.90	IVR BBB+/Stable	IVR BBB/Stable	-	IVR BBB-/Stable
2.	Non-fund-based facilities	ST	23.00	IVR A2	IVR A3+	-	IVR A3

**Issuer did not cooperate; based on best available information*

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Completeness Indicator
Term Loan	-	-	-	May 2033	33.90	IVR BBB+/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	1.00	IVR BBB+/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	15.00	IVR BBB+/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	29.00	IVR BBB+/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	5.00	IVR BBB+/Stable	NA	RBI	Simple
Bill Discounting Facility	-	-	-	-	12.00	IVR A2	NA	RBI	Simple

Bank Guarantee	-	-	-	-	11.00	IVR A2	NA	RBI	Simple
Cash Credit	-	-	-	-	0.00 (8.95)	Withdrawn *	NA	RBI	Simple
Bank Guarantee	-	-	-	-	0.00 (4.25)	Withdrawn *	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

*Withdrawn: The rating has been withdrawn at the request of the company and based on the No Due Certificate received from its rated bankers/lenders. The rating, being withdrawn, is in accordance with Infomerics' Policy on Withdrawal of ratings.

Annexure 2: Facility wise lender details

<https://infomericstorage.blob.core.windows.net/uploads/Len RBM Infracon 2july26 9c1e0c6297.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

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	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 lenders/Loans from Multilaterals	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	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

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

~ 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 may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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About Infomerics

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

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