Robo Silicon Private Limited

April 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	30.66	CARE BBB-; Stable	Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in the ratings assigned to bank facilities of Robo Silicon Private Limited (RSPL), derives strength from experienced and resourceful management, with RDC Concrete (India) Limited (RDCIL) now holding 100% of the shareholding in RSPL and becoming its parent company, comfortable capital structure and debt coverage indicators, strategic plant location and backward integration of raw material, growing brand image, reputed and diversified clientele, comfortable operating cycle, and stable industry outlook. However, ratings are partially offset by moderation in TOI in FY24, funds blocked as advances given to associate/subsidiary companies, geographical concentration risk, cyclical nature of real estate and construction sector, vulnerability of business operation vulnerable to regulation from Governments authorities.

Additionally, the ratings of Robo Silicon Private Limited (RSPL) have been removed from 'Rating Watch with Developing Implications' and assigned a 'Stable Outlook'. CARE Ratings believes that RSPL will continue to receive support from its parent company, RDC, and will be able to maintain its stable financial risk profile, supported by steady demand from the infrastructure segment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in Total operating income to Rs. 250 crores or above
- Improved PBILDT margin to 10% and above on a sustained basis

Negative factors

- Decline in revenue and PBILDT margin to below Rs.100 crore and 5% respectively.
- Any envisaged debt resulting in weakening of overall gearing ratio to 1.5x or above.

Analytical approach: Standalone

The rating considers comfort from the resourceful parent entity RDCIL. As Robo Quarries Private Limited doesn't contribute more than 10% to the revenue of Robo Silicon Private Limited, consolidated financials not considered for assessment of RSPL.

Outlook: Stable

The ratings of Robo Silicon Private Limited (RSPL) have been removed from 'Rating Watch with Developing Implications' and assigned a 'Stable Outlook'. CARE Ratings believes that RSPL will continue to receive support from its parent company, RDC, and will be able to maintain its stable financial risk profile, supported by steady demand from the infrastructure segment.

Detailed description of key rating drivers:

RDC Concrete India Limited

Key Strengths

Sizable scale of operations

Total Operating Income (TOI) grew at a compounded annual growth rate (CAGR) of 28.29% in last 5 years ended FY24. TOI grew by 37% to Rs.1961 crore in FY24 over FY23 on account of improved demand from customers as indicated by a y-o-y volume growth of 31% from 3341 kilo cubic meters (k cum) in FY23 to 4371 k cum in FY24, the sales realisation remained stable due to absorption of cost over wider base. It has also reported TOI of Rs.1646 crore in 9MFY25. It has sizable net worth base, which stood at Rs.151 crore as on March 31, 2024.

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Strong distribution set up with pan-India presence
RDC has a strong distribution network by virtue of diversified location of plants. It has over 127 Ready Mix Concrete (RMC) plants, as on December 31, 2024, with a pan-India presence. The extensive distribution network have resulted in a 25.8% CAGR revenue growth in the last three years. The same is expected to support its future revenue growth. In the coming years, the management plans to increase the density of RMC plants to support revenue growth.

Location Advantage
RDC's manufacturing facilities are in various locations across the country. The proximity to raw material procurement market benefits the entity in form of easy raw material access at competitive prices and lower logistic expenditure. Also, the proximity to end-user industries / markets help it understand market needs and facilitates quick response to end-user requirements including service aspects. Such proximity to end user industry is essential as the RMC has a very short shelf life of 2-3 hours.

Established track record in the industry
RDC has a long track record of more than 30 years in the RMC products. Its primary product is RMC while Transport and Pumping has also contributed to revenue to minor portion. While RDC operates across multiple business segments, the RMC has dominant revenue share at 98.4% with other segment being others accounting for 1.6% of revenue.

Reputed and diversified clientele catering to moderately diversified end-user industries
RDC deals with reputed customers and has diversified customer base. RDC's top customers include TATA Projects Limited, Gulermak India Private Limited and Larsen & Toubro Limited, which contributed 10% of TOI in FY24. RDC caters to customers operating in a variety of industries such as Commercial & Residential, Industrial, Infrastructure. This wide end user base mitigates the risk of a slowdown in a single sector, supporting sustained growth.

Key weaknesses
Leveraged capital structure
RDC' capital structure stood leveraged, as marked by an overall gearing of 2.5x as on March 31, 2024 (3.37x as on March 31, 2023) with high reliance on external debt. Its debt profile largely comprises external debt in the form of working capital and term debt, while it also relies on non-fund based limits for procurement of raw materials. The entity has extended loans and advances to its subsidiaries/group entities/ third parties, considering which, adjusted overall gearing ratio stood high at 5.01x as on March 31, 2024 (6.18x as on March 31, 2023). The total outside liabilities to net worth stood high at 7.23x as on March 31, 2024 (7.05x as on March 31, 2023). The improvement in capital structure was on account of profit accretion to reserves, repayment of term debt, and infusion of equity by promoters. Going forward, the capital structure is expected to moderate on account of planned debt funded capex and increase in working capital borrowings.

Moderate capacity utilisation
The capacity has remained moderate during FY24 and 9MFY25. The management expects the same to improve as the density of plants increases and the same transit mixers are able to source and supply from/ to multiple locations in one region.

Moderately High working capital intensity
Receivable period was moderately high at 90 days (PY: 87 days) during FY24 on account of high credit provided to customers to gain market share and high bargaining power of customers. Debtors exceeding six months were insignificant as on March 31, 2024. Credit period availed from suppliers was high at 90 days (PY: 85 days) due to better bargaining power with supplier.

Concentrated product portfolio, albeit multiple end-user industries application
In FY24, ~98% of RDCs net sales (FY23: 99%) was earned from RMC implying product concentration and risk related to any slowdown in demand. However, RMC finds application across multiple end-usage which reduces the risk to an extent. Over the years, RDC' focus has been to grow through both organic and inorganic routes. In the last 30 years, the entity has reached 20 states with 127 RMC plants, which contributed to the revenue growth. The entity is eying acquisitions in its similar line of business to further strengthen its product profile.

Robo Silicon Private Limited
Key strengths
Experienced promoters: Robo Silicon Private Limited (RSPL) was founded by CV Subba Rao, C Chandrasekhara Rao and Vijay Kosaraju. Prior to this, Mr Subba Rao was part of other innovative concepts such as poly-urethane paints and green energy projects. Promoters have more than two decades of experience in diversified businesses, including power, construction and sale of engineering equipment, and pharmaceutical sectors.
RDC Concrete (India) Limited has now taken over 100% of stakes in RSPL from existing shareholders and has provided corporate guarantee for debt availed in RSPL. RDC has a long track record of more than 30 years in the RMC products. The management

of RDC is led by Anil Kumar Banchhor as MD and CEO in 2016. He has vast experience in the Cement and RMC industry. He was in the past associated with ACC cements for 20 years. Manish Modani operates as group CFO and has been with company for last 15 years.

Comfortable capital structure & debt coverage metrics:
Total debt of the company includes term loans sanctioned for capex purpose and working capital limits (CC). The term loan has reduced to Rs 9.04 crores as on March 31, 2024 (PY: Rs 16.25 crores) on account of timely repayments. The company has however increased their reliance on working capital limits as a result the net total debt has increased to Rs. 24.97 crores (PY: Rs. 23.15 crores). The capital structure of the company marked by overall gearing ratio has marginally deteriorated to 0.60x as on March 31, 2024 (PY: 0.56X) on account of increase in working capital limits with stable tangible net worth of Rs. 41.30 crores. PBILDT/ interest coverage indicator deteriorated to 1.88x in FY24 (PY: 3.52x) and TDGCA to 5.49x as on March 31, 2024 (PY: 1.75X).

Strategic plant location and backward integration of raw material: The basic raw material for producing artificial sand and aggregates includes granite and basalt rock boulders. RSPL's production plants have been linked to granite or basalt rock quarries. Few quarries are on private lands (purchased by the company) and few on Government land. The company leases for mining in these quarries and pays royalty for all the quarries to respective State Governments. Conversion ratio of rocks/stone to sand is almost 1:1 with no production loss. The company also sells aggregates, where it reduces rock sizes as required and sells it to clients.

Growing brand image and reputed and diversified clientele: RSPL being a pioneer in manufacturing sand in India, has created a niche in the market under the brand 'Robo Sand.' It is gaining acceptance with major market players. RSPL supplies majority to four key segments: RMC (Ready Mix Concrete), LSBI (Largeand-Small-Scale Builders), projects, traders, and retail. It has a diversified client mix and comprises reputed names in the industry. The company's client profile consists of major market players in real estate and construction sectors such as My Home Group, Ramky Estates, GMR, and L&T constructions among others.

Stable Industry Outlook: Sand is an abundant natural resource which is utilized heavily in construction and manufacturing, such as in concrete. In India, sand is commonly mined from riverbeds and the beds of other water bodies. Due to the migration of large chunks of the population, there has been a drastic increase in urbanisation. Increased demand for housing and infrastructure due to rising urbanisation is driving the demand for construction material, in which sand is a major ingredient, hence driving the growth of the sand industry. The increased pressure from the construction sector has put a lot of pressure on the traditional source of sand supplies like riverbeds, thus causing harm to aquifers, fisheries, and protected areas. The need for non-natural or manufactured sand is therefore on the rise. Furthermore, government initiatives to prevent river sand mining and switching toward manufactured or crushed sand is expected to drive the market forward. Aided by the growing initiatives by the government and increased need for housing and infrastructure, the market is expected to witness a further growth in the forecast period of 2024-2028, growing at a CAGR of 6-7% annually.

Key weaknesses
Moderation in current year performance: The total operating income (TOI) of the company moderated by -9.66% to Rs. 153.30 crores in FY24 as compared to Rs. 169.71 crores in FY23 on account of mainly due to tepid growth in the real estate in Hyderabad region, coupled with liberal approach of allowing river sand for construction purpose. In 9MFY25, the company has generated a revenue of Rs. 122.38 crores as compared to Rs. 113.59 crores in 9MFY24 and is expecting to achieve a TOI of Rs. 165 crores in FY25. PBILDT moderated to 3.98% in FY24 as compared to 5.66% in FY23 and PAT margin declined significantly to 0.29% (PY: 642%) in FY24. The profitability has also moderated in absolute because of increase in decline in TOI and increase in price of raw material.

Advances extended to its subsidiary company: The company had extended loans and advances to its subsidiary company i.e., Robo Quarries Private limited in FY21 and current outstanding as on March 31, 2024, is Rs. Rs 1.62 crore as against Rs 2.37 crore as on March 31, 2023.

Elongation in operating cycle but it remains comfortable: The operating cycle of the company has elongated to 31 days in FY24 as compared to 17 days in the previous year mainly because of the increase in average collection days to 73 days in FY24 as compared to 57 days inFY23. However, the operating cycle remains comfortable. The working capital utilisation for its fund-based facilities for the past 12 months ended Dec 31, 2024, remains 62%.

Geographical concentration risk: The company has plants which are geographically diversified in 5 states in India, i.e., Telangana, Karnataka, Maharashtra, Andhra Pradesh, and Tamil Nadu. Since inception, the company has been intermittently closing leased units at few locations and opening at new locations. Currently, the company is operating majorly at Telangana which contributes to around 94% of total revenue followed by Tamil Nadu, Karnataka and Andhra Pradesh.

Cyclical real estate and construction sector and business operation vulnerable to regulation from Governments authorities: The business of the company is dependent upon the growth in construction activities, particularly the real estate segment. Hence, the challenges associated with the cyclic nature of real estate and construction industry would have a bearing on the business any changes in government policy or revision in royalty will have impact on the business.

Liquidity: Adequate
Liquidity is marked by adequate cash accruals against gross repayment obligation and cash and liquid investment. GCA of Rs. 4.55 crores in FY24 and cash balance of Rs. 28.40 is sufficient to meet gross loan repayment of Rs. 6.08 crores for next one year. Liquidity is further supported by current ratio of 1.15x and unutilised working capital limits which provide sufficient cushion to meet working capital requirement or capex.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Nonfinancial Sector
Factoring Linkages Parent Sub JV Group

About the company and industry
Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Construction Materials	Other Construction Materials	Other Construction Materials

About RDC Concrete (India) Limited
RDC was established in 1993 by Unitech Constructions Ltd and RDC Concrete Singapore, RDC operates over 127 ready mixed concrete (RMC) plants across India. In 2005, RDC was acquired by True North when it had five RMC plants and one paver block plant with operations in North India. RDC was acquired by Hella Infra Market Limited (Hella) in December 2021.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	1,434	1,961	1,647
PBILDT	116	158	136
PAT	29	39	29
Overall gearing (times)	3.37	2.50	NA
Interest coverage (times)	3.20	2.84	NA

A: Audited UA: Unaudited; NA: Not Available Note: these are latest available financial results

About the company and industry
Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Construction Materials	Other Construction Materials	Other Construction Materials

About RSPL:
Robo Silicon Private Limited (RSPL) based in Hyderabad, Telangana, was incorporated on December 31, 1999, as a public limited company. Currently, RDC Concrete (India) ltd has acquired RSPL from PE firm True North Managers LLP (erstwhile India Value Fund Advisers Private Limited) and other shareholders. The company is engaged in manufacturing artificial sand branded as "RoboSand" with its crushing units in Telangana.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	169.71	153.31	122.38
PBILDT	9.60	6.10	NA
PAT	10.89	0.44	28.03
Overall gearing (times)	0.56	0.60	NA
Interest coverage (times)	3.52	1.88	NA

A: Audited UA: Unaudited; NA: Not Available Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	25.00	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	October 2025	5.66	CARE BBB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	5.66	CARE BBB-; Stable	1)CARE BBB- (RWD) (18-Feb-25)	1)CARE BBB-; Stable (04-Mar-24)	1)CARE BBB-; Stable (16-Mar-23)	1)CARE BB+; Stable (27-Jan-22)
2	Fund-based - LT-Cash Credit	LT	25.00	CARE BBB-; Stable	1)CARE BBB- (RWD) (18-Feb-25)	1)CARE BBB-; Stable (04-Mar-24)	1)CARE BBB-; Stable (16-Mar-23)	1)CARE BB+; Stable (27-Jan-22)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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