RMN Infrastructures Limited

September 16, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	160.00	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BB+; Stable / CARE A4+

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had, vide its press release dated March 31, 2026, placed the rating(s) of RMN Infrastructures Limited (RMN) under the 'issuer non-cooperating' category as RMN had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. RMN continues to be non-cooperative despite repeated requests for submission of information through e-mails dated June 15, 2026 to September 15, 2026 (Verbal discussion) among others. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s)

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of key rating drivers

At the time of last rating on March 31, 2026, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies).

Key weaknesses

Delay in Debt servicing and poor liquidity

The lender has confirmed that there was an instance of bank guarantee (BG) invocation during the last financial year. The invoked BG was regularised in March 2026, albeit after a period exceeding 30 days from the date of invocation, indicating stress in the company's liquidity position and delays in meeting its financial obligations.

Lower than estimated financial performance in FY25:

The company's revenue declined by 13% i.e., to ₹728.06 crore in FY25 compared to ₹839.38 crore in FY24. Profitability levels also moderated, with PBILDT and PAT declining by around 16% and 38%, respectively, on a year-on-year basis. Although the PBILDT margin improved to 7.28% in FY25 from 7.49% in FY24, the decline in absolute PBILDT levels, coupled with higher interest costs, resulted in moderation of the PAT margin to 3.66% during the year. Further, for FY25, the company had earlier projected revenue of approximately ₹1,000 crore, along with PBILDT and PAT margins of 7.52% and 4.07%, respectively. However, the actual performance was significantly lower than the projected levels in terms of both revenue and profitability, indicating weaker-than-anticipated revenue booking and execution challenges during the year.

Moderate additions in asset base; dependence on sub-contracting

The company historically had relied on subcontractors for heavy construction equipment and timely execution of works, accordingly, subcontracting expense stood at ~50%-85% of the cost of sales. However, RMN also executes few critical works by purchasing the required equipment and rely on subcontracting, wherever needed and save cost to company based on work location. Gross block of fixed assets ₹62 crore as on March 31, 2020, to ₹122.70 crore as on March 31, 2024, led to company's gradual reduction on reliance on subcontracts. However, sub-contracting expenses as percentage of cost of sales stood at ~50% despite addition of fixed assets.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Working capital intensive operations and high GCA days
Though RMN Infrastructure Limited operates in a working capital-intensive environment, its reliance on working capital limits remains minimal, even with the expansion in its scale of operations. The company's operating cycle elongated but remains healthy at 47 days (against 24 days in FY24). However, gross current asset days stood elevated at ~218 days, driven by higher collection days

Fragmented nature of construction sector with tender-based nature of operations and execution challenges
The infrastructure sector in India is highly fragmented and competitive with many small and mid-sized players. This and tendering process in order procurement results in intense competition within the industry, fluctuating revenues, and restrictions in profitability. All these are tender- based and the revenues are depend on the company's ability to bid successfully for these tenders. Profitability margins come under pressure because of competitive nature of the industry. However, RMN has rich experience, long standing track record in the construction industry and cordial relations with its clients which fares well against the peers in the industry

Default history of SPVs where RMN is only a technical partner
RMN holds ~25% stake in two Special Purpose Vehicles (SPVs) GVRMP Whagdhari Ribbanpally Tollway Private Limited (GWRTPL) and GVRMP Dharwad Ramnagar Tollway Private Limited (GDRTPL) having default track record due to delay in execution of project and other constraints. Of these, GWRTPL has reached a One-Time Settlement (OTS) with its lenders and has fully repaid its debt and is debt free as of March 31, 2024. RMN infused funds by way of unsecured loans amounting to ~₹25 crore, through which, the SPV repaid the debt. In case of GDRTPL, RMN requested Karnataka Road Development Corporation Limited (KRDCL) for termination of the project, which is under consideration. However, RMN's role is limited to that of a technical partner, with no corporate guarantee, directorship involvement, or personal guarantees provided by RMN's directors and CARE Ratings Limited (CARE Ratings) notes that RMN doesn't have financial obligation to repay debt in this SPV. Further support extended by RMN to these entities resulting in deterioration in financial risk profile is a key monitorable factor from credit perspective.

Qualified opinion by auditor in last two years ended FY24
The auditor provided qualified opinion in the last two years ended FY24 inadequacies in internal control systems and absence of confirmation and reconciliation of balances in parties accounts combined with non-availability of data to assess their impact on financials statements. In response, RMN has been actively implementing and strengthening internal control policies and procedures for its daily operations. These measures are being regularly reviewed to enhance overall quality and accuracy of financial reporting. Further, in FY25, the auditor highlighted about company's non-compliance with certain provisions of the Companies Act, including the non-appointment of independent directors, which may attract penalties. However, the audit opinion remains unmodified in respect of this matter

Key strengths

Experienced promoters with established presence in the industry
The company is promoted by Mr. R Maheshwara Naidu, which was later converted into a public limited company 2007. The management has hands-on experience in the engineering, procurement, and construction (EPC) industry. The company's departments are managed by different directors with experience of over three decades in relevant fields. The company has established presence in the EPC segment, especially in Karnataka, through successful order execution in the past.

Healthy order book position providing medium-to-long term revenue visibility
RMN has healthy active order book position as of December 01, 2024, at ₹3716.86 crore, which translates to 4.43x gross billing for FY24. This provides revenue visibility for medium-to-long term. The company undertakes orders primarily from Government entities. Majority orders have escalation clause, which provide assurance on transferring input costs in case of price fluctuation. RMN provides construction services to reputed clientele including Government and Public sector undertakings. Though top seven customers contribute ~78% of the orderbook, majority orders being received from government departments resulted in low counterparty risk. In the given active order book, irrigation contribute ~50.33% followed by infra 29.65% and water supply 18.96% respectively. Though irrigation contributes major share, diversification of its EPC services in various fields reducing segment concentration risk to certain extent. The company is providing EPC services majorly in three states; Madhya Pradesh (29.78%), West Bengal (19.95%) and Maharashtra (16.38%) contributing to ~66% to total active order book.

Significant growth in scale and profitability despite moderation in FY24
RMN has demonstrated substantial growth in scale and profitability in the last five years, with revenue increasing from ₹328.10 crore in FY20 to ₹839.68 crore in FY24. Initially focused on EPC services for irrigation projects in Andhra Pradesh, Telangana, and Karnataka, the company has successfully diversified into water supply and infrastructure projects across multiple states, including Madhya Pradesh, West Bengal, and Maharashtra. This diversification has enabled the company secure high-value contracts and ensure efficient project execution. In FY23, revenue reached ₹1,018.83 crore, driven by faster execution of short term projects within strict timelines. However, in FY24, delays in approvals and permits due to the code of conduct across departments resulted in a revenue decline, though it remained at a comfortable level. PBILDT improved from ₹17.94 crore in FY20 to ₹62.92 crore in FY24, supported by efficient working capital management and lower interest costs. Non-operating income of ₹14.04 crore

contributed to a profit after taxes (PAT) of ₹42.73 crore in FY24. In the last five years, PBILDT and PAT margins have strengthened from 5.47% and 1.91% in FY20 to 7.49% and 5.09% in FY24, reflecting sustained profitability

Comfortable financial risk profile
The company's capital structure, marked by overall gearing ratio (adjusting group exposure) stood comfortable below unity as on March 31, 2025 considering strong net worth position with accumulated healthy profits and low reliance on working capital limits despite being working capital intensive. RMN has availed working capital limit of ₹30 crore, which is relatively low for its scale of operations, reflecting efficient working capital management. Despite moderation in profitability levels, Other debt coverage indicators such as, interest coverage ratio and total debt to gross cash accruals stood at comfortable levels.

Liquidity: Not applicable

Assumptions/Covenants- Not applicable

Environment, social, and governance (ESG) risks - Nil

Applicable criteria

Definition of Default
Information Adequacy Risk and Issuer Non-Cooperation
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Construction Sector
Infrastructure Sector Ratings
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

RMN was established by R Maheshwara Naidu in 1995 as a partnership firm 'R Maheshwara Naidu Engineers and Contractors'. In FY07, the partnership firm was converted to a public limited company under the current name. RMN was initially engaged only in irrigation projects and minor road works within Andhra Pradesh, however, over the years, the company diversified its scope of operations and now has a presence in water supply and sewerage system projects, land restoration and roads. The company obtained quality certification ISO 9001 – 2008 by maintaining standards.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	839.68	728.06
PBILDT*	62.92	52.98
Profit after tax (PAT)	42.73	26.66
Overall gearing (x)	0.36	0.31
Interest coverage (x)	5.95	3.34

A: Audited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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/ ST-Cash Credit	RBI	Simple	-		-	-	35.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee	RBI	Simple	-		-	-	125.00	CARE D / CARE D; ISSUER NOT COOPERATING*

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

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 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT/ ST-Cash Credit	LT/ST	35.00	CARE D / CARE D; ISSUER NOT COOPERATING *	-	1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING * (31-Mar-26)	1)CARE BBB; Stable / CARE A3 (24-Feb-25)	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	125.00	CARE D / CARE D; ISSUER NOT COOPERATING *	-	1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING * (31-Mar-26)	1)CARE BBB; Stable / CARE A3 (24-Feb-25)	-

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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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