



**Press Release**  
**HMM INFRA LIMITED**  
**March 31, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	90.00	ACUITE A-   Stable   Assigned	-
Bank Loan Ratings	125.00	-	ACUITE A1   Assigned
<b>Total Outstanding Quantum (Rs. Cr)</b>	215.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of '**ACUITE A-**' (**read as ACUITE A minus**) on the Rs.90 Cr. and short-term rating '**ACUITE A1**' (**read as ACUITE A one**) on the Rs. 125 Cr. of bank loan facilities of HMM Infra Limited (HIL). The Outlook is '**Stable**'.

**Rationale for Rating**

The rating assigned reflects the established track record of operations and the extensive experience of the management in the same line of industry for more than three decades. The rating also factors the significant growth in scale of operations & profitability, healthy financial risk profile, and strong liquidity profile of the company. The rating also takes into consideration as the company started bidding directly for the government tenders and started providing turnkey solutions from manufacturing in the plant to erection launching & execution at site from 2023 onwards. This helps the company to get better volume, margins & realization. Currently, the company has an unexecuted order book of Rs. 1038 Cr. as on 31st December 2024. However, the rating is constraint due to intensive working capital operations, inherent cyclicity of the steel business and intense competition in the industry make margins and cash flows vulnerable to fluctuations in prices and demand.

**About the Company**

HMM Infra Limited was incorporated in 1996 and was engaged in manufacturing/fabrication of heavy steel structures and galvanized structures. The company has an automated H beam fabrication line for Steel Bridges, Power Plants, Refineries and other Heavy Steel Structures, etc. The company has a single manufacturing unit in Ambala, Haryana spread in 63,000 square metre with an installed capacity of 48,000 Metric Tonnes (MT) per annum. The company is managed by Mr. Bhupinder Goel as Managing Director and Mrs. Alka Goel, Mr. Mannan Goel, Mrs. Tanya Goel, Mr. Mahipal Singh and Mr. Sudhir Mittal as directors.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of HMM Infra Limited for arriving at the rating.

**Key Rating Drivers**

**Strengths**

**Experienced Management**

The company is managed by Mr. Bhupinder Goel, chairman cum managing director having experience of more than three decades in the same line of business and plays vital role in business strategies and effective implementation of the projects. In addition to that, they have a highly experienced top management who are looking for day to day operations of the company. Acuite believes that rich experience of the promoters will benefit the company in longer run for bagging the fresh orders and timely execution of the unexecuted order book.

## Scale of Operations & Profitability

The company witnessed the significant improvement in its scale of operations by ~109% marked by an operating income of Rs. 534.39 Cr. in FY 2024 as against Rs. 255.13 Cr in FY 2023. The operating profit (EBIDTA) improved by more than 100%, from Rs. 34.61 Cr. in FY 2023 to Rs. 73.64 Cr. in FY 2024. The EBITDA margin of the company stood at 13.78% in FY2024 as against 13.56% in FY2023. This is mainly due to directly bidding for government tenders which helped the company to get better margins & volumes, started full turnkey solutions till the execution from 2023 and timely execution of ongoing orders. The net profit of the company improved from Rs. 18.10 Cr. in 2023 to Rs. 44.19 Cr. in FY 2024. The PAT margin of the company stood at 8.27% in FY 2024 against 7.09% in FY 2023. Acuite believes that the company is expected to have better top-line in near to medium term supported by stable margins as compared to previous years on the account of ability to execute the orders timely.

## Healthy Financial Risk Profile

The financial risk profile of the company is healthy marked by net-worth of Rs. 176.50 Crore as on 31st March 2024 against Rs. 132.21 Crore as on 31st March 2023. The improvement in net worth is mainly due to accretion of profits into reserves. The capital structure of the company is comfortable marked by gearing ratio of the company which stood below unity at 0.58 times as on 31st March 2024 against 0.61 times as on 31st March 2023. Further, the coverage indicators of the company improved reflected by interest coverage ratio and debt service coverage ratio of the company which stood at 6.42 times and 3.41 times respectively as on 31st March 2024 against 4.82 times and 2.31 times respectively as on 31st March 2023. The TOL/TNW ratio of the company stood at 1.05 times as on 31st March 2024 against 1.10 times as on 31st March 2023. The ROCE of the company is 28.32% for FY 2024. Acuite believes that financial risk profile of the company will remain healthy in near to medium term with no major debt funded capex.

## Weaknesses

### Working Capital Operations

The working capital operations of the company is intensively marked by GCA days which stood at 177 days as on 31st March 2024 improved from 268 days as on 31st March 2023. The company's debtor days stood at 46 days as on FY 2024, has declined from 75 days as on FY 2023 on account of faster collection from the existing debtors. Higher collection from the debtors were utilized to repay the outstanding suppliers timely which led to decline in the creditor days from 52 days in FY 23 to 35 days in FY 24. The company is required to maintain inventory of more than 100 days as it required to maintain certain minimum level of raw material at each project, and it is always some work is progress on which billing milestones yet to achieved. The inventory holding days for FY 24 is 108 days against 138 days in FY 23. Acuite believes that working capital operations will remain at similar levels in near to medium term due to nature of the business.

## Susceptibility to volatility in raw material prices and cyclicity inherent in the steel industry

The company performance remains vulnerable to cyclicity in the steel sector given the close linkage between the demand for steel products and the domestic and global economies. The end-user segments such as real estate, civil construction, and engineering also display cyclicity. The steel industry is sensitive to the shifting business cycles, including changes in the general economy and seasonal changes in the demand and supply conditions in the market. Any significant reduction in demand and prices adversely impacting the operating margins and cash accruals of the group will remain a key monitorable.

## Rating Sensitivities

- Movement in scale of operations and profitability margins
- Elongation in the working capital operations

## Liquidity Position

### Strong

The liquidity profile of the company is strong marked by net cash accruals of company stood at Rs. 48.09 Cr. in FY 2024 against the current maturities of debt obligation of Rs. 5.93 Cr. for the same period indicating sufficient cushion for any future endeavours. The company has cash & bank position of Rs. 9.94 Cr. and current ratio stood at 1.56 times for FY 24. The average utilization of fund-based and non-fund facilities for last 12 months ending January 2025 is 67.61% and 54.58% respectively. Acuite believes that the company will be able to maintain strong liquidity with steady accruals in near to medium term.

## Outlook - Stable

## Other Factors affecting Rating

None.

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	534.39	255.13
PAT	Rs. Cr.	44.19	18.10
PAT Margin	(%)	8.27	7.09
Total Debt/Tangible Net Worth	Times	0.58	0.61
PBDIT/Interest	Times	6.42	4.82

**Status of non-cooperation with previous CRA (if applicable)**

None.

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None.

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History :

Not Applicable.

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A1   Assigned
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A1   Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1   Assigned
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1   Assigned
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A-   Stable   Assigned
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A-   Stable   Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A-   Stable   Assigned
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A-   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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