Advance Infrastructure Private Limited

July 18, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	69.00 (includes proposed facility of Rs 10.24 Cr) (enhanced from Rs. 39.00 Cr)	IVR BBB/ Stable (IVR triple B with Stable outlook)	IVR BBB-/ Negative ISSUER NOT COOPERATING* (IVR triple B minus with Negative Outlook Issuer Not Cooperating)	Rating upgraded and removed from Issuer Not Cooperating; long-term rating outlook revised from 'Negative' to 'Stable'	Simple
Short Term Bank Facilities	89.30 (enhanced from Rs. 79.30 Cr)	IVR A3+ (IVR A three plus)	IVR A3 ISSUER NOT COOPERATING* (IVR A three Issuer Not Cooperating)	Rating upgraded and removed from Issuer Not Cooperating	Simple
	158.30 (INR One hundred fifty-eight crore and thirty-lakhs only)				

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

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

Earlier Infomerics had moved the ratings of Advance Infrastructure Private Limited (AIPL) into Issuer Not Cooperating category vide it press release dated April 23, 2025, due to non-submission of information required for detailed review of the company. However, the company has started cooperating and submitted required information. Consequently, Infomerics has removed the ratings from 'ISSUER NOT COOPERATING' category and upgraded the ratings.

Infomerics has upgraded the ratings assigned to the bank facilities of Advance Infrastructure Private Limited (AIPL) on account of substantial increase in revenue backed by healthy order book execution with thrust in the infrastructure sector. The ratings also factors in the strength gained from experienced promoter with established long operational track record, significant improvement in profitability margins, reputed client base, and healthy financial risk profile characterized by conservative leverage, robust debt protection metrices and adequate liquidity position of the company. However, these rating strengths are partially offset by elongated working capital cycle, the intense competition in the construction industry with contract execution risk.

The outlook assigned on the long-term rating is revised from Negative to Stable as it is supposed to benefit from the extensive experience of the promoters coupled with execution of healthy order book position and favourable industry outlook.

Key Rating Sensitivities:

Upward Factors

- Significant and sustained growth in scale of operations with improvement in profitability and cash accruals
- Improvement in the capital structure and debt protection metrics on a sustained basis
- Managing working capital requirement efficiently leading to improvement in the operating cycle with improvement in liquidity

Downward Factors

- Decline in the revenue and/ or profits leading to an overall deterioration in the financial risk profile of the company
- Moderation in the capital structure and/ or coverage indicators
- Elongation in the operating cycle with moderation in liquidity

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Established track record of operations coupled with experienced management and reputed clientele base

Incorporated in 2006, Advance Infrastructure Private Limited (AIPL), has a long operational track record near to two decades in the construction industry. AIPL's established market presence has helped the company to get repeat orders from the Government agencies such as GAIL, Oil India Ltd, HPCL and BPCL, this in turn mitigates the counterparty credit risk to large extent. Further, the extensive experience of the management, their understanding of the market dynamics and healthy relations with customers will benefit the company going forward, resulting in steady growth in the scale of operations.

Strong business risk profile buoyed by healthy order book position

AIPL has healthy order book position with unexecuted orders in hand for oil and gas infrastructure projects worth around Rs. 996.29 Cr. (i.e. 3.19x of FY2025 revenues) as on 30th June 2025 which provides revenue visibility in the near to medium term. The company has achieved revenue of Rs.306.73 Cr in FY2024 (refers to period April 1st, 2023, to March 31, 2024) as compared to Rs.271.55 Cr in FY2023 (refers to period April 1st, 2022, to March 31, 2023) thereby registering a y-o-y growth of 20.26%. Further, the company has achieved revenues of around Rs. 311.83 Cr in FY2025 (Provisional) (refers to period April 1st, 2024, to March 31, 2025). The growth in top line is primarily on account of better order execution coupled with thrust in the infrastructure sector. In the medium term, the sustenance of the growth of the revenue of the company will be a key rating sensitivity.

Significant improvement in profitability margins

The profitability margins of the company increased significantly majorly due to reduction of providing subcontracting work, owning of machineries instead of leasing and hiring permanent employees rather than contractual employees from several agencies. The EBITDA margin of the company increased to 14.20% in FY2024 from 14.07% in FY2023. PAT margin remains same to 8.25% in FY2024 as compared to FY2023. The RoCE for the company of stood comfortable at 26.50% in FY2024 as against 36.08% in FY2023. Further, the company have achieved an EBIDITA margin and PAT margin of 15.47% and 8.75% respectively in FY2025 (Provisional) as there is an overall reduction in the overhead expenses. The sustainability in profitability margins will be a key rating monitorable, going forward.

Healthy financial risk profile supported by comfortable leverage structure

The capital structure of the company had remained comfortable with its satisfactory net worth base supported by its low reliance on external debt. The tangible net worth (TNW) of the company improved to Rs.91.45 Cr as on March 31, 2024, from Rs.65.99 Cr as on March 31, 2023, due to accretion of reserves. Further, the tangible net worth (TNW) of the company stood at Rs. 115.79 Cr as on March 31, 2025 (Provisional). The overall gearing of the company stood comfortable at 0.58x times as on March 31, 2024, as against 0.75x as on March 31, 2023. Again, the Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood moderate at

1.54x as on March 31, 2024, as against 2.30x as on March 31, 2023. The company's Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.20x as on March 31, 2025 (Provisional). The debt protection metrics of AIPL stood comfortable marked by Interest Coverage Ratio at 7.15x as on March 31, 2024, and Debt Service Coverage Ratio at 2.95x as on March 31, 2024. The total debt/EBITDA stood moderate at 1.22x as on March 31, 2024. Further, Interest Coverage Ratio stood comfortable at 6.71x, and Debt Service Coverage Ratio stood at 2.43x as on March 31, 2025 (Provisional). Going forward, the financial risk profile of the company will improve further with no major debt funded capex plans.

Key Rating Weaknesses

Working capital intensive nature of operations

The working capital management of the company is intensive marked by the operating cycle, which stood at 114 days as on 31st March 2024 as compared to 112 days as on 31st March 2023. The operating cycle of the company is predominantly driven by the high debtor and moderate inventory level during the same period. The debtor period stood at 119 days as on 31st March 2024 as compared to 126 days as on 31st March 2023. The high debtor level is due to earnest money deposits & security deposits. Further, the inventory holding period stood at 51 days as on 31st March 2024 as compared to 56 days as on 31st March 2023. Again, the operating cycle stood intensive at 141 days as on 31st March 2025 (Provisional) predominantly driven by the high debtor and moderate inventory level of 132 days and 57 days respectively during the same period. The working capital management of the company will remain at similar levels over the medium term owing to the nature of the industry.

Exposure of the intense competition and tender based job works

The company faces intense competition on account of customers being the same for all the players in the sector (i.e.) the oil and gas PSU companies, which the company acquires by bidding on the tenders, leading to muted bargaining power. However, the company mitigates the same by taking on sub-contracting jobs also.

Contract execution risk

The company is exposed to project execution risk of the pending order book, owing to the uncertainties in the EPC business. The ability of the company to execute the projects without delay would be a key rating monitorable.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies]

[Financial Ratios & Interpretation (Non-Financial Sector)]

[Criteria of assigning rating outlook]

[Policy On Issuer Not Cooperating]

[Policy on default recognition]

[Complexity level of rated Instruments/Facilities]

Liquidity – Adequate

The adequate liquidity position of the company is marked by the steady net cash accruals stood at Rs. 29.59 Cr as on March 31, 2024, as against long term debt repayment of Rs. 6.01 Cr over the same period. The cash and bank balances of the company stood at Rs. 0.11 Cr as on March 31, 2025 (Provisional). Further, the current ratio and quick ratio stood comfortable at 1.51x and 1.12x as on March 31, 2024, as compared to 1.26x and 0.99x respectively in FY2023. Again, the company has achieved a net cash accrual stood at Rs. 31.63 Cr as on March 31, 2025, as against long term debt repayment of Rs. 8.80 Cr in FY2025 (Provisional). The current ratio and quick ratio stood comfortable at 1.73x and 1.33x as on March 31, 2025 (Provisional). Further, the average fund-based limit utilisation remains moderate at around 76.96% over the twelve months ended May 2025. Going forward, the company is likely to maintain adequate liquidity position supported by steady accruals.

About the Company

Incorporated in 2006, Advance Infrastructure Private Limited (AIPL) with its registered offices located in Vadodara, Gujarat is a company specializing in the field of cross-country pipeline, city gas distribution network, Civil & Infrastructure and Telecom and Power Transmission projects. The Company undertakes turnkey projects including sourcing of procurement, inspection and integration of local fabrication, utilities, equipment and mobilization of local services through bidding on tenders and through sub-contracting job work.

Financials (Standalone): (Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	306.73	311.83
EBITDA	43.56	48.25
PAT	25.45	27.42
Total debt	52.97	57.55
Tangible Net Worth	91.45	115.79
EBITDA Margin (%)	14.20	15.47
PAT Margin (%)	8.25	8.75
Overall Gearing Ratio (x)	0.58	0.50
Interest Coverage (x)	7.15	6.71

**Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument / Facilities	Current Ratings (Year 2025-26)				Rating History for the past 3 years			
		Type (Long Term/ Short Term)	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	
				-	April 23, 2025	-	February 23, 2024	December 15, 2022	July 13, 2022
1.	Term Loans	Long Term	15.68**	IVR BBB/ Stable	-	-	-	-	-
2.	ECLGS	Long Term	0.57	IVR BBB/ Stable	-	-	-	-	-
3.	Equipment Loans	Long Term	8.75	IVR BBB/ Stable	-	-	-	-	-

Sr. No.	Name of Instrument / Facilities	Current Ratings (Year 2025-26)				Rating History for the past 3 years			
		Type (Long Term/ Short Term)	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	
				-	April 23, 2025	-	February 23, 2024	December 15, 2022	July 13, 2022
4.	Cash Credit	Long Term	44.00	IVR BBB/ Stable	IVR BBB-/ Negative ISSUER NOT COOPERATING*	-	IVR BBB/ Stable	IVR BBB-/ Stable	IVR BB+ ISSUER NOT COOPERATING*
5.	Bank Guarantee	Short Term	86.30	IVR A3+	IVR A3 ISSUER NOT COOPERATING*	-	IVR A3+	IVR A3	IVR A4+ ISSUER NOT COOPERATING*
6.	Letter of Credit	Short Term	3.00	IVR A3+	IVR A3 ISSUER NOT COOPERATING*	-	IVR A3+	IVR A3	-

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

*** includes proposed Term Loan of Rs 10.24 Cr*

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Private Limited] 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.

Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
ECLGS	-	-	-	Dec-26	0.57	IVR BBB/ Stable
Equipment Loan I	-	-	-	Jul-27	1.90	IVR BBB/ Stable
Equipment Loan II	-	-	-	Oct-27	0.80	IVR BBB/ Stable
Equipment Loan III	-	-	-	May-26	0.11	IVR BBB/ Stable
Equipment Loan IV	-	-	-	Nov-27	1.56	IVR BBB/ Stable
Equipment Loan V	-	-	-	Oct-27	1.37	IVR BBB/ Stable
Equipment Loan VI	-	-	-	Jan-28	1.61	IVR BBB/ Stable
Equipment Loan VII	-	-	-	May-28	1.31	IVR BBB/ Stable
Term Loan I (Business Loan)	-	-	-	Jul-27	0.37	IVR BBB/ Stable
Equipment Loan	-	-	-	Sep-25	0.09	IVR BBB/ Stable
Term Loan II (Business Loan)	-	-	-	Sep-27	4.50	IVR BBB/ Stable
Term Loan III	-	-	-	Nov-27	0.57	IVR BBB/ Stable
Cash Credit I	-	-	-	-	17.50*	IVR BBB/ Stable
Cash Credit II	-	-	-	-	11.50**	IVR BBB/ Stable
Cash Credit III	-	-	-	-	5.00***	IVR BBB/ Stable
Cash Credit IV	-	-	-	-	10.00****	IVR BBB/ Stable
Bank Guarantee I	-	-	-	-	30.00*****	IVR A3+
Bank Guarantee II	-	-	-	-	21.50	IVR A3+
Bank Guarantee III	-	-	-	-	17.00	IVR A3+
Bank Guarantee IV	-	-	-	-	7.80	IVR A3+
Letter of Credit	-	-	-	-	3.00	IVR A3+
Bank Guarantee V	-	-	-	-	10.00******	IVR A3+
Proposed Term Loan	-	-	-	-	10.24	IVR BBB/ Stable

**WCDL of Rs 5.25 Cr. is one way interchangeability from CC to WCDL*
***Letter of Credit of Rs.3.00 Cr. is the sublimit of CC*
***BG of Rs.3.50 Cr. is the sublimit of CC*
****Letter of Credit of Rs.5.00 Cr. is the sublimit of CC*
***** BG of Rs.3.00 Cr. is the sublimit of CC*
*****Letter of Credit of Rs.1.00 Cr. is the sublimit of CC*
******BG of Rs.2.00 Cr. is one way interchangeability from CC to BG*
******* BG of Rs.5.00 Cr. is the sublimit of CC*
******* Letter of Credit of Rs.10.00 Cr. is the sublimit of BG*

Annexure 2: Facility wise lender details
https://www.infomerics.com/admin/prfiles/Len-Advance-Infra-18july25.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

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.