



## Press Release

### Arwade Infrastructure Limited

July 28, 2025

#### Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	30.00 (enhanced from Rs.11.00 crore)	IVR BBB/ Stable (IVR triple B with Stable outlook)	IVR BBB-/ Positive (IVR triple B minus with positive outlook)	Rating upgraded; long-term rating outlook revised from 'Positive' to 'Stable'	Simple
Short Term Bank Facilities	122.00 (enhanced from Rs. 70.00 crore)	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A three)	Rating upgraded	Simple
<b>Total</b>	<b>152.00</b> <b>(INR one hundred fifty-two crore only)</b>				

**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

The upgrade of the ratings assigned to the bank facilities of Arwade Infrastructure Limited (AIL) considers growth in operating income coupled with satisfactory profitability during FY25 (refers to period April 1st, 2024, to March 31st, 2025). Further, the ratings continue to derive strength from experienced promoters with long track record, moderate order book position leading to revenue visibility in the near term and moderate capital structure and adequate coverage indicators. However, these rating strengths remain constrained due to moderate client and geographical concentration risks and tender driven nature of business in highly fragmented & competitive operating scenario.

The long-term rating outlook revised to Stable from Positive. The long-term rating is stable due to stable business operation, long track record of the promoters and favourable industry outlook.



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### Key Rating Sensitivities:

#### Upward Factors

- Growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis.
- Improvement in the debt protection metrics of the company with interest coverage sustained

#### Downward Factors

- Moderation in the scale of operation and/or moderation in profitability on a sustained basis.
- Moderation in capital structure with deterioration in overall gearing and moderation in the debt protection metrics with deterioration in interest coverage
- Elongation in the operating cycle impacting liquidity.
- Any liability arising out of corporate guarantee extended to group company.

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### **Experienced promoters and established relationship with reputed players in the market**

Mr. Nitin Arwade, the director of the company having two more than two decades of experience in construction of green field & brown field projects. With long presence in the industry and timely execution of projects, the management has enlarged its customer base and have been working with majority of them for a long time.

##### **Steady business risk profile**

The total operating revenue of the company witnessed a y-o-y growth of ~61.61% to Rs. 261.12cr in FY25 from 162.03cr in FY24 (refers to period April 1st, 2023, to March 31st, 2024) on account of increase in new contract and tenders. The increase in topline is also due to completion of unexecuted work in hand. Further, operating profitability of the company remained satisfactory over the years, EBIDTA margin was at 13.48% and PAT margin was at 7.21% in FY25.



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### **Moderate order book position leading to revenue visibility in the near term**

The company's unexecuted order book position as on June 25, 2025, stood at Rs.337.90 crore which is expected to be executed within a period of 12 months. The unexecuted orders in hand are equivalent to 1.29 x of the turnover of FY25. The work orders indicate revenue visibility in the near term. However, timely execution of orders will remain a key rating monitorable.

### **Moderate capital structure and adequate coverage indicators.**

The capital structure of the company remained moderate with its satisfactory net worth base. The company adjusted tangible net worth witnessing steady growth on the back of increasing profit and healthy accretion of reserves and stood at Rs.60.66 crore as on March 31, 2025, as against Rs. 42.07 crore as on March 31, 2024. Further, the overall gearing slightly moderated at 1.10x as on March 31, 2025, from 0.92x as on March 31, 2024. Long term debt to equity stood at 0.53x as on March 31, 2025, from 0.52x as on March 31, 2024. Overall indebtedness of the company marked by TOL/ATNW stood at 1.72x as on March 31, 2025, against 1.72x as on March 31, 2024.

Considering the outstanding corporate guarantee of Rs.5.09 crore as on March 31, 2025, the adjusted overall gearing stood at 1.19x as on March 31, 2025, and adjusted TOL/TNW stood at 1.80x as on March 31, 2025

Debt protection metrics remained comfortable with interest coverage to 4.33x as on March 31, 2025, from 4.06x as on March 31, 2024. DSCR stood at 2.19x as on March 31, 2025, from 1.95x as on March 31, 2024.

### **Key Rating Weaknesses**

#### **Moderate client and geographical concentration risks**

The company has moderate client concentration risk, with the majority of revenues and order book contributed by few clients. The company participates in tenders and executes its projects mainly in Maharashtra, Karnataka and Delhi. However, the company is trying to expand its bid to new states thus exposing the company to moderate geographical concentration risk.



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### **Tender driven nature of business in highly fragmented & competitive operating scenario**

AIL's business is dependent on the company's ability to successfully bid for the tenders. Further, the domestic infrastructure/construction sector is highly fragmented with presence of many players with varied statures & capabilities. This restricts AIL's operating and financial flexibility.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria of assigning rating outlook](#)

[Policy on default recognition](#)

[Complexity level of rated Instruments/Facilities](#)

### **Liquidity – Adequate**

The liquidity of the company is expected to remain adequate in the near-to-medium term with sufficient accruals and to meet the term debt repayment in the period FY26-FY28. The current ratio stood comfortable at 1.52x as on March 31, 2025. The average fund-based utilisation for the past twelve months ended May 2025 remained moderate at ~39.46% indicating an adequate liquidity cushion.

### **About the Company**

Arwade Infrastructure Limited (AIL) was incorporated in 2009. It is Pune-based company and is engaged in industrial construction and is ISO 9001 and ISO 45001 2015 certified company. The company specializes in construction of green field & brown field projects. AIL operates in core segment of industrial construction of Global MNCs and reputed Indian companies. The key business activities of AIL includes EPC work pertaining to heating, ventilation and air conditioning (HVAC), firefighting, transmission & distribution, electrical installations and civil



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work for factories and industrial facilities. AIL is promoted by Mr. Subhash Arwade, Mrs. Soniya Arwade and Mr. Nitin Arwade.

### Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	162.03	261.12
EBITDA	24.06	35.21
PAT	11.63	18.96
Adj. Total Debt	41.55	69.24
Adj. Tangible Net Worth	42.02	58.21
EBITDA Margin (%)	14.85	13.48
PAT Margin (%)	7.13	7.21
Adj. Overall Gearing Ratio (x)	0.99	1.19
Interest Coverage (x)	4.06	4.33

\*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

### Rating History for last three years:

Sr. No.	Name of 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
					(July 03, 2024)	(May 17, 2023)	-
1.	Term Loan	Long Term	2.00	IVR BBB/ Stable	-	-	-
2.	Cash Credit	Long Term	28.00	IVR BBB/ Stable	IVR BBB-/ Positive	IVR BBB-/ Stable	-
3.	Bank Guarantee	Short Term	122.00	IVR A3+	IVR A3	IVR A3	-

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### About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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](http://www.infomerics.com).

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### 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
Term Loan	-	-	-	January, 2027	2.00	IVR BBB/ Stable



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Cash Credit I	-	-	-	-	25.00*	IVR BBB/ Stable
Cash Credit II	-	-	-	-	3.00	IVR BBB/ Stable
Bank Guarantee I	-	-	-	-	100.00	IVR A3+
Bank Guarantee II	-	-	-	-	22.00	IVR A3+

\*Letter of Credit of Rs. 8.00 crore as sublimit of Cash Credit

### **Annexure 2: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/Len-Arwade-Infrastructure-28july25.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](http://www.infomerics.com).