



Press Release
AMAR INFRASTRUCTURE LIMITED
May 28, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	39.00	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	127.00	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	166.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of 'ACUITE BBB' (read as ACUITE triple B) on the Rs.39.00 Cr. and short-term rating of 'ACUITE A3+' (read as ACUITE A three plus) on the Rs.127.00 Cr. bank facilities of Amar Infrastructure Limited. The outlook remains 'Stable'.

Rationale for reaffirmation:

The rating reaffirmation takes into account stable operating income in FY2025 (Prov), following a moderation in FY2024. It also considers a robust unexecuted order book position of Rs. 23,841.55 Cr. as of March 31st, 2025, marking a significant rise from Rs. 1,355.10 Cr. in February 2024. This increase in the order book is due to a recently secured MDO Coal mining order worth Rs. 22,841.52 Cr. on January 1st, 2025. Additionally, the rating reflects the company's healthy financial risk profile, characterized by a strong net worth, low gearing, and healthy debt protection metrics.

However, the rating is constrained by working capital-intensive operations, exposure to execution-related risks, and the tender-driven nature of the business.

About the Company

Incorporated in 2009, Amar Infrastructure Limited (AIL) is a Chhattisgarh-based company engaged in the construction of roads, bridges, buildings, and infrastructure development across the country for the last 32 years. Recently, on January 1st, 2025, the company bagged a mine development and operations (MDO) order. The current directors are Mr. Surendra Rathi, Mr. Narendra Rathi, Mr. Sushil Chandak Kumar, Mr. Purushottam Das Bhutda, Ms. Meena Bhutda, and Mr. Chatur Bhuj Rathi.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of AIL while arriving at the rating.

Key Rating Drivers

Strengths

- **Experienced management and established relationships with customers**

AIL has a track record of operations of more than three decades in the construction sector. The company is

promoted by Mr. Chaturbhuj Rathi, Mr. Narendra Rathi, and Mr. Surendra Rathi, who have over three decades of experience in civil construction work. They are well supported by a team of experienced and qualified professionals. AIL has successfully completed various projects under different government departments such as M.P. Public Works Department, Bhopal, C.G. Public Works Department, South Eastern Railway, C.G. Water Resources Division, C.G. Housing Board, and NHAI. Recently, the company bagged an MDO coal mining order on January 1st, 2025. The long-standing experience of the promoters and the long track record of operations have helped the company establish comfortable relationships with key suppliers and reputed customers. Acuité believes that the long track record and rich experience of the promoters augur well for the relationship with their key suppliers and customers.

- **Stable scale of operations coupled with robust order book position**

The company has reported an year-on-year (YOY) growth of 6.03 percent in FY2025 (Prov) compared to FY2024. The revenue of the company stood at Rs. 311.69 Cr. in FY2025 (Prov) as against Rs. 293.96 Cr. in FY2024. The stable growth in revenues is due to the timely execution of projects. The operating margins of the company stood at 12.99 percent in FY2025 (Prov) as against 12.27 percent in FY2024. The company has an unexecuted order book position of Rs. 23,841.55 Cr. as of March 31st, 2025. The outstanding order book is 65.73 times the FY2025 (Prov) revenue. The orders are from both the central government and the state governments of Odisha, Chhattisgarh, and Delhi. The outstanding order book includes the MDO order which the company received on January 1st, 2025, amounting to Rs. 22,841.52 Cr. from Eastern Coalfields Ltd for reopening, salvaging, rehabilitation, development, and operation to produce 57.80 million tonnes of coal within a period of 25 years. The operations are expected to start in December 2025. Acuité believes that the operating performance is expected to improve on the back of a robust outstanding order book position supported by the MDO order over the near to medium term.

- **Healthy Financial Risk Profile**

The financial risk profile of the company is healthy marked by healthy net worth, low gearing and healthy debt-protection metrics. The tangible net worth of the company improved to Rs. 181.82 Cr. as on March 31, 2025(Prov) from Rs. 123.37 Cr. as on March 31, 2024, on account of accretion to reserves. The gearing of the company stood at 0.57 times as on March 31, 2025(Prov), against 0.73 times as on March 31, 2024. Debt protection metrics – Interest coverage ratio and debt service coverage ratio stood at 9.30 times and 2.65 times as on March 31, 2025(Prov), respectively as against 3.84 times and 1.80 times as on March 31, 2024, respectively. TOL/TNW (Total outside liabilities/Total net worth) stood at 1.37 times and 1.77 times as on March 31, 2025(Prov), and 2024 respectively. The debt to EBITDA of the company stood at 1.06 times as on March 31, 2025(Prov), as against 2.12 times as on March 31, 2024. Going forward, Acuite believes the financial risk profile of the company will remain healthy on account of steady net cash accruals and no major debt funded capex plan over the near term.

Weaknesses

- **Working capital intensive operations**

AIL's working capital operations are intensive in nature marked by high GCA days of 378 days in FY2025(Prov) as against 332 days for FY2024. GCA days are mainly led by high debtor days and other current assets. The inventory days stood at 12 days in FY2025 (Prov) as against 4 days in FY2024. The debtor days stood at 110 days for FY2025(Prov) as against 115 days in FY2024. High debtor days are due to delay in payments from government and large corporations. However, AIL has no bad debts. Subsequently, the payable period stood at 152 days as on March 31, 2025(Prov) as against 203 days as on March 31, 2024, respectively. Acuite believes that the working capital operations of the company will remain intensive on account of the nature of AIL's business.

- **Susceptibility of operating margin to volatile input prices**

Major raw materials used in civil construction activities are steel and cement, while in road construction activities, they are stone, asphalt/bitumen, and sand, which are usually sourced from large players/dealers at proximate distances. The raw material and labour costs form the majority portion of the total cost of sales for the last three years. As the raw material prices and labour costs are volatile in nature, the profitability of the company is subject to fluctuations in raw material prices and labor costs. However, the company has an in-built price variation clause for major raw materials like cement, bitumen, and steel in the majority of its contracts, which protects its margins to an extent.

Rating Sensitivities

- Scaling up of operations and improvement in the profitability margin
- Timely execution of orders
- Any large debt-funded capital expenditure, resulting in deterioration of financial risk profile

Liquidity Position: Adequate

The liquidity position of the company is adequate, marked by adequate net cash accruals against maturing debt obligations. The company generated net cash accruals of Rs. 66.27 Cr. against maturing debt obligations of Rs. 18.49 Cr. Going forward, the company is expected to generate moderate net cash accruals against nil maturing repayment obligations. The current ratio of the company stood at 1.55 times in FY2025 (Prov). However, the reliance on working capital limits is high, marked by an average of ~ 91 percent usage of fund-based limits and ~ 66 percent usage of non-fund-based limits over the past twelve months ending in March 2025. The company maintained unencumbered cash and bank balances of Rs. 1.12 Cr. as of March 31, 2025 (Prov). Acuité believes that the liquidity of the company is likely to remain adequate over the medium term on account of adequate cash accruals against maturing repayment obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	311.69	293.96
PAT	Rs. Cr.	58.45	19.18
PAT Margin	(%)	18.75	6.53
Total Debt/Tangible Net Worth	Times	0.57	0.73
PBDIT/Interest	Times	9.30	3.84

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

Not Applicable

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>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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, Acuite 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Apr 2024	Bank Guarantee (BLR)	Short Term	18.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	3.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	75.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A3+ (Assigned)
	Secured Overdraft	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.00	ACUITE BBB Stable (Reaffirmed)
01 Feb 2023	Secured Overdraft	Long Term	4.00	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	75.00	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Assigned)
Secured Overdraft	Long Term	2.00	ACUITE BBB Stable (Assigned)	

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	61.00	Simple	ACUITE A3+ Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A3+ Reaffirmed
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	36.00	Simple	ACUITE A3+ Reaffirmed
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB Stable Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE BBB Stable Reaffirmed

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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