



Press Release
WAGAD INFRAPROJECTS PRIVATE LIMITED
September 26, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	75.00	ACUITE A- Stable Assigned	-
Bank Loan Ratings	350.00	-	ACUITE A2+ Assigned
Total Outstanding Quantum (Rs. Cr)	425.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of ‘**ACUITE A-**’ (read as **ACUITE A minus**) and short-term rating of ‘**ACUITE A2+**’ (read as **ACUITE A two plus**) on the Rs. 425.00 Cr. bank facilities of Wagad Infraprojects Private Limited (WIPL). The outlook is ‘**Stable**’.

Rationale for Rating

The rating assigned reflects the company’s established operational track record and the promoters’ extensive experience in the industry. It also factors in the company’s healthy financial risk profile and adequate liquidity position supported by a moderate utilization of both fund-based and non-fund-based bank limits and unencumbered cash equivalents. The rating also draws strength from the company’s steady operating performance, supported by a healthy order book position. However, the rating is constrained by moderately intensive working capital operations, customer and geographical concentration risks, and susceptibility of operating margin to volatility in input prices, labour charges in a highly competitive tender based nature of business.

About the Company

Wagad Infraprojects Private Limited (WIPL), incorporated in 2010 by Mr Ashok Jain, Mr Vinod Jain, Mr Ankush Jain and Mr Andesh Jain, is engaged in civil works such as construction of roads, bridges and dams. It also operates ready-mix concrete plants in Gujarat. The company is headquartered in Ahmedabad (Gujarat).

Unsupported Rating

Not applicable.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Wagad Infraprojects Private Limited (WIPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and established track record of operations

The company is managed by Mr. Ashok Jain, along with Mr. Vinod Jain and a team of experienced personnel. The directors bring over four decades of experience in the construction industry. The company has successfully executed projects for prominent counterparties such as NHAI, MPRDCL, and various private sector clients. The promoters’ extensive experience and the company’s long operational history have contributed to strong relationships with key suppliers and established customers. Acuite believes that the long track record of operations and rich experience of the promoters will continue to aid the business risk profile of the company.

Stable operating performance supported by healthy order book

The company reported revenue of Rs.514.72 Cr. in FY25 (Prov.) and Rs.658.69 Cr. in FY24, indicating consistent

operational performance. As of Q1FY26, revenue stood at ~ Rs.101.66 Cr., compared to Rs.72.17 Cr. in Q1FY25.

This increase is attributed to higher execution of contract work during the year. The growth is supported by a healthy order book, with unexecuted orders of around Rs.1,198.45 Cr. as of April 2025, providing revenue visibility for the medium-term. The company achieved a healthy operating margin of 16.82 per cent in FY25 (Prov.), up from 14.74 per cent in FY24. However, PAT margin declined slightly to 6.52 per cent in FY25 (Prov.), compared to 6.65 per cent in the previous year. Acuite believes the company's operating performance will remain stable over the medium term, backed by its healthy order book position.

Healthy financial risk profile

The financial risk profile of the company is healthy, marked by strong net worth, low gearing, and moderate debt protection metrics. The net worth of the company grew to Rs. 176.45 Cr. as on March 31, 2025 (Prov.), from Rs. 142.89 Cr. as on March 31, 2024. This improvement in net worth is mainly due to the retention of profits. Further, the gearing remained low at 0.48 times as of March 31, 2025 (Prov.), compared to 0.41 times as of March 31, 2024. The debt protection metrics are moderate, with the Interest Coverage Ratio (ICR) at 5.25 times in FY25 (Prov.), compared to 4.96 times in FY2024. The Debt Service Coverage Ratio (DSCR) stood at 1.49 times in FY25 (Prov.) as against 1.67 times in the previous year. The Total Outside Liabilities to Tangible Net Worth (TOL/TNW) stood at 1.52 times as of March 31, 2025 (Prov.), compared to 1.62 times as of March 31, 2024. WIPL has invested Rs. 12.03 crore in the SPV, Wagad Netrang Road Private Limited, as of March 31, 2025 (Prov.). The company is expected to infuse additional funds of approximately Rs. 66.61 Cr. by October 2027 through equity capital and unsecured loans from promoters. Acuite believes the financial risk profile will remain healthy especially with expected improvement in the coverage indicators (DSCR at ~1.71x in FY2026 and 2.40x in FY2027), on the back of repayment of long-term debt and no major debt funded capex envisaged in the medium term.

Weaknesses

Moderately intensive working capital management

The working capital operations of the company are moderately intensive in nature, marked by a gross current asset (GCA) of 225 days in FY2025 (Prov.), against 145 days in FY2024. The debtor collection period was 83 days in FY2025 (Prov.), compared to 79 days in FY2024, with the average collection cycle ranging between 60 and 90 days. Inventory days increased to 72 in FY2025 (Prov.), up from 1 day in the previous year, primarily due to a significant amount of work-in-progress (WIP) for orders under execution. Creditor days stood at 85 in FY2025 (Prov.), against 66 days in FY2024. Additionally, the average utilization of fund-based working capital limits remained moderate, at approximately 77 per cent, while non-fund-based utilization remained low at 43 per cent over the 12 months ending August 2025. Acuite believes that ability of the company to manage its working capital at similar levels going forward will remain as a key rating sensitivity.

Customer and Geographical concentration risk

The company is exposed to customer concentration risk, with its top five clients contributing approximately 76 per cent of total revenue in FY2025 (Prov.). Furthermore, around 96.62 per cent of the unexecuted order book of Rs. 1,198.45 Cr. is attributable to two customers—NHAI and Adani Road Transport Ltd. This risk is partially offset by the company's established relationships with these clients. The company also faces geographical concentration risk, as revenue in FY2025 was derived primarily from two regions: Gujarat and Kerala. The current order book continues to reflect a similar regional concentration. Acuite believes that customer and geographical concentration will remain key rating monitorable going forward.

Susceptibility of operating margin to volatility in input prices, labour charges in a highly competitive tender based nature of business.

The basic input materials for execution of construction projects and works contracts are steel, stone chips, cement, and structures etc. The prices of which are highly volatile. However, currently government agencies' work contracts have price escalation clause which mitigate price volatility risk to some extent. Furthermore, the operating margin of the company is exposed to sudden spurt in the input material prices along with increase in labour prices being in labour intensive industry. Although the company has a long-standing presence of more than 20 years in the industry, as almost all its sales are tender based, the revenue depends on the company's ability to bid successfully for tenders. WIPL specialises in civil works such as construction of roads, bridges and dams. mainly for Government and private entities. The company faces competition from large players, as well as many local and small unorganised players, adversely affecting the profitability. Currently almost all their projects are situated in Gujarat and Kerala. This increases the geographical concentration risk significantly. Nonetheless, the company is bidding for projects in new territories which is expected to mitigate the geographic concentration risk to some extent.

Rating Sensitivities

- Sustained growth revenues while maintaining profitability margins
- Timely execution of existing orders and addition of new orders to maintain the scalability
- Elongation in working capital cycle
- Changes in financial risk profile
- Diversification in customer and geographical concentration

Liquidity Position

Adequate

The company's liquidity position is adequate, marked by the generation of sufficient net cash accruals of Rs. 58.57 Cr. in FY2025 (Prov.), as against its maturing debt obligations of Rs. 33.73 Cr. during the same period. In addition, it is expected to generate sufficient cash accruals in the range of Rs. 68.47–75.96 Cr., as against its maturing repayment obligations of around Rs. 32.28–20.34 Cr. over the medium term. The current ratio stood at 1.34 times as on 31st March 2025 (Prov.). Furthermore, the average utilization of fund-based working capital limits remained moderate, at approximately 77 per cent, while non-fund-based utilization remained low at 43 per cent over the 12 months ending August 2025. Additionally, the company has unencumbered fixed deposits of approximately Rs. 12.91 Cr. as on 31st March 2025 (Prov.). Acuite believes that the liquidity position of the company will continue to remain adequate on account of expected healthy cash accruals generation, availability of liquid funds and buffer available from unutilised working capital limits.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	514.72	658.69
PAT	Rs. Cr.	33.57	43.78
PAT Margin	(%)	6.52	6.65
Total Debt/Tangible Net Worth	Times	0.48	0.41
PBDIT/Interest	Times	5.25	4.96

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

None

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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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 :

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
Indian Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	144.00	Simple	ACUITE A2+ Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A2+ Assigned
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE A2+ Assigned
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A2+ Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A2+ Assigned
Indian 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
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A- Stable Assigned
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A- Stable Assigned
Canara Bank	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
HDFC 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
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.00	Simple	ACUITE A- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	88.00	Simple	ACUITE A2+ Assigned

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About Acuité Ratings & Research

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