

ARSS Infrastructure Projects Limited

May 26, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 100.00 Crore	Regulator[^]
Long Term Rating	IVR BB/Stable (Withdrawn)	RBI
Short Term Rating	IVR A4 (Withdrawn)	RBI
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics Ratings has reaffirmed and simultaneously withdrawn the ratings assigned to the bank loan facilities of ARSS Infrastructure Projects Limited (ARSSIPL). The reaffirmation of the ratings continues to derive comfort from successful implementation of resolution plan along with introduction of new promoters and healthy order book providing revenue visibility. However, these rating strengths are partially offset by stretched financial risk profile of the company marked by net worth erosion pertaining to past losses, volatility in operating margins due to the tender-based nature of operations and exposure to fluctuations in material prices.

Infomerics Ratings has withdrawn the rating assigned to the bank facilities of ARSSIPL with immediate effect. The above action has been taken at the request of the company along with No Objection Certificate (NOC) issued by the lender. The ratings are being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

Outlook: Stable

The outlook is expected to remain stable, supported by the successful takeover of the company by the new promoters, timely implementation of the approved resolution plan along with equity infusion, and sustained growth momentum in the infrastructure sector.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidated For arriving at the ratings, Infomerics has considered the consolidated financial statements of ARSSIPL and its subsidiaries and joint ventures, including ARSS Damoh – Hirapur Tolls Private Limited (Subsidiary), ARSS Developers Limited (Associate), and various joint ventures (Atlanta-ARSS JV, ARSS-SCPL JV, ARSS LGPPL JV, ARSS BDPL JV, ARSS Thakur JV, ARSS SNKI JV, ARSS

	Royal JV, SCPL-ARSS JV, ARSS-SIPS JV, ARSS-BMS JV, ARSS Technocom Priyashi Aashi JV, ARSS-KKMPL JV, and ARSS NTLLP JV).
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Successful implementation of resolution plan and introduction of new promoters**

The company underwent Corporate Insolvency Resolution Process (CIRP) before the National Company Law Tribunal, Cuttack Bench, on account of prolonged financial stress and Non-Performing Asset (NPA) classification. Subsequently, a resolution plan submitted by Ocean Capital Market Limited was approved, providing for settlement of creditor dues through a combination of upfront cash payment and conversion of unsustainable debt into equity, along with cancellation of the erstwhile promoter shareholding. Post implementation of the approved plan, the company has exited CIRP and is operating under a reconstituted board with a significantly deleveraged balance sheet and improved capital structure. Pursuant to the resolution, the company has been taken over by Mr. Dipti Ranjan Patnaik, who brings over 40 years of industry experience across financial management, business operations, and strategic planning. He is supported by an experienced board comprising professionals from banking, railway infrastructure, taxation, and finance backgrounds.

- **Healthy order book providing revenue visibility**

The company has a pending order book of approximately Rs.951.96 crore as on December 31, 2025, which is around 5.76 times its FY25 [FY refers to the period from April 01 till March 31] revenue, thereby providing moderate near- to medium-term revenue visibility over the next three financial years. The order book primarily comprises railway and infrastructure projects across Odisha, Andhra Pradesh, and Madhya Pradesh. Further, under the new management, the company has secured fresh orders of around Rs. 676.80 crore, reflecting improving business traction post resolution. The existing order pipeline is expected to support gradual scale-up in operations, subject to timely execution and mobilisation at project sites.

Weaknesses

- **Stretched financial profile marked by net worth erosion**

The company's financial performance has remained weak over the past few years, marked by a sharp decline in operating income and continued operating losses. Total operating income declined significantly from Rs. 402.53 crore in FY2023 to Rs. 165.39 crore in FY2025 due to limited order inflows, execution challenges, and liquidity constraints during the CIRP period. The company reported net losses in FY24 and FY25, further weakening its financial profile. Owing to

sustained losses and high finance costs in earlier years, the net worth eroded and remained negative as on March 31, 2025. The prolonged NPA status and restricted access to bank funding adversely impacted revenue generation, debt servicing capability, and overall financial flexibility. Although the approved resolution plan has resulted in balance sheet deleveraging and expected improvement in capital structure going forward, the track record of weak financial performance continues to remain a rating concern.

- **Intense competition**

The civil construction sector is highly competitive, often requiring aggressive bidding to secure contracts. The company secures its work orders primarily from government departments through a tender based process, with revenues dependent on its ability to successfully win these tenders. Delays in tender issuance, contractor selection or unsuccessful bids could pose risks and impact the company's business outlook.

- **Exposed to risks of volatility in material prices**

The company remains exposed to risks of volatility in material prices. However, the presence of price escalation clauses in orders mitigates this risk to some extent.

Liquidity – Adequate

The liquidity profile of the company is expected to remain adequate in the near to medium term in the absence of any major debt repayment obligation. The restructuring under the approved resolution plan has reduced debt servicing burden, thereby easing pressure on cash flows during the operational stabilization phase. Further, the company has unutilised working capital limit to the tune of Rs.5.00 crore which provides adequate buffer in its working capital requirements. Liquidity is also supported by expected inflows from the existing order book, though remains contingent upon timely execution and realisation of receivables.

Rating Sensitivities

Upward Factors

- Substantial and sustained growth in operating income and profitability leading to improvement in cash accruals and debt protection metrics
- Improvement in the capital structure marked by improvement in the overall gearing ratio

Downward Factors

- Dip in operating income and/or profitability impacting the debt protection metrics.
- Moderation in the liquidity position with elongation in its operating cycle

About the company

ARSSIPL, incorporated in 2000 as ARSS Stones Private Limited, is a Bhubaneswar-based infrastructure and construction company engaged in civil engineering projects, including railways, roads, bridges, and irrigation across India. The company has expanded its operations

with multiple crushers, hot mix, and wet mix plants in Odisha, supporting large-scale EPC projects. Following prolonged financial stress and classification of its bank accounts as NPA, ARSSIPL underwent a Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016. The approved resolution plan, executed by Ocean Capital Market Limited in September 2025, restructured the company's debt, infused fresh capital, and replaced the existing promoters. The new promoter is Mr. Dipti Ranjan Patnaik, along with other directors, thereby enabling the company to continue operations under a team of experienced professionals.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	320.87	165.39
EBITDA	-46.96	-13.28
PAT	-34.84	-7.77
Total Debt	1628.53	1628.57
Tangible Net Worth (TNW)	-167.86	-174.49
EBITDA Margin (%)	-14.63	-8.03
PAT Margin (%)	-10.39	-4.52
Overall Gearing (times)	-9.31	-8.90
Interest Coverage (times)	NM**	-29.37

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Infrastructure Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of companies](#)

[Policy on withdrawal of Ratings](#)

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					March 20, 2026		
1.	Fund based facilities	LT	10.00	IVR BB/Stable (Withdrawn)	IVR BB/Stable	-	-
2.	Non-Fund based facilities	ST	90.00	IVR A4 (Withdrawn)	IVR A4	-	-

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator ^	Complexity Indicator
Term Loan	-	-	-	March 2031	5.00	IVR BB/Stable (Withdrawn)	-	RBI	Simple
Cash Credit	-	-	-	-	5.00	IVR BB/Stable (Withdrawn)	-	RBI	Simple
Bank Guarantee	-	-	-	-	15.00	IVR A4 (Withdrawn)	-	RBI	Simple
Bank Guarantee	-	-	-	-	75.00	IVR A4 (Withdrawn)	-	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

[https://infomericsstorage.blob.core.windows.net/uploads/Len_ARSS Infrastructure Projects26 May26 dfd66b6452.pdf](https://infomericsstorage.blob.core.windows.net/uploads/Len_ARSS_Infrastructure_Projects26_May26_dfd66b6452.pdf)

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**Annexure 4: List of companies considered for Consolidated/Combined analysis:**

Name of the Entity	Extent of Consolidation
ARSS Infrastructure Projects Limited	Full Consolidation
ARSS Damoh – Hirapur Tolls Private Limited	Full Consolidation
ARSS Developers Limited	Full Consolidation
Atlanta-ARSS JV	Full Consolidation
ARSS-SCPL JV	Full Consolidation
ARSS LGPPL JV	Full Consolidation
ARSS BDPL JV	Full Consolidation
ARSS Thakur JV	Full Consolidation
ARSS SNKI JV	Full Consolidation
ARSS Royal JV	Full Consolidation
SCPL-ARSS JV	Full Consolidation
ARSS-SIPS JV	Full Consolidation
ARSS-BMS JV	Full Consolidation
ARSS Technocom Priyashi Aashi JV	Full Consolidation
ARSS-KKMPL JV	Full Consolidation
ARSS NTLLP JV	Full Consolidation

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA



3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

[^] Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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