



Press Release

ARSS Infrastructure Projects Limited

March 20, 2026

Rating

Security/ Facility	Amount (Rs. crore)	Current Rating	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	10.00	IVR BB/Stable (IVR Double B with Stable Outlook).	-	Rating Assigned	Simple
Short Term Bank Facilities	90.00	IVR A4 (IVR A Four)	-	Rating Assigned	Simple
Total	100.00 (Rupees One hundred crores only)				

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 ratings assigned to the bank facilities of ARSS Infrastructure Projects Limited (ARSSIPL) derives 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 profile of the company marked by net worth erosion pertains to past losses, volatility in operating margins due to the tender-based nature of operations and exposure to fluctuations in material prices.

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.

Key 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



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List of Key Rating Drivers with Detailed Description

Key Rating 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.

Key Rating 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.



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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.

Analytical Approach: 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).

List of entities considered for consolidated analysis is given at **Annexure 4**.

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](#)



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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.

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.

Financials: Consolidated

For the year ended/ As on*	(Rs. crore)	
	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	-167.86	-174.49
EBITDA Margin (%)	-14.63	-8.03
PAT Margin (%)	-10.39	-4.52
Overall Gearing Ratio (x)	-9.31	-8.90
Interest Coverage (x)	NM**	-29.37

* Classification as per Infomerics' standards **Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable



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Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	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
					-	-	-
1.	Term Loan	Long Term	5.00	IVR BB/Stable	-	-	-
2.	Cash Credit	Long Term	5.00	IVR BB/Stable	-	-	-
3.	Bank Guarantee	Short Term	90.00 (Including proposed limit of Rs. 75 crore)	IVR A4	-	-	-

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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.



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For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	March 2031	5.00	IVR BB/Stable
Cash Credit	-	-	-	5.00	IVR BB/Stable
Bank Guarantee	-	-	-	90.00 (Including proposed limit of Rs. 75 crore)	IVR A4

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_ARSS_mar26_8550eb8f5c.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



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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

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.

