March 06, 2026

ALPA INFRASTRUCTURE LIMITED: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Short-term - Fund-based - Others	10.00	[ICRA]A3+; Assigned
Long-term/Short-term - Fund-based - Overdraft	29.50	[ICRA]BBB (Stable)/[ICRA]A3+; Assigned
Long-term/Short-term - Non-fund based - Bank guarantee	80.50	[ICRA]BBB (Stable)/[ICRA]A3+; Assigned
Total	**120.00**	

**Instrument details are provided in Annexure-I*

Rationale

The ratings assigned to Alpa Infrastructure Limited (AIL) factors in the company's established track record in the engineering, procurement and construction (EPC) business, primarily in the highway major maintenance (MM) and operation and maintenance (O&M) for road projects. The promoters have extensive experience of over four decades in the road maintenance and civil construction segment. The ratings note AIL's adequate order book position of Rs. 419 crore as on January 20, 2026 (translating into an order book/operating income (OB/OI) ratio of 1.7 times, based on the peak OI of Rs. 243 crore in FY2024 and 3.5 times as of FY2025 revenue) providing medium term revenue visibility. It regularly secures short tenure MM contracts, typically with durations of less than one year, supporting revenue continuity. The order book benefits from a diversified and reputed client base across the public and private sectors. The ratings reflect the strong growth in AIL's scale of operations over the recent years, with revenues increasing from Rs. 66.4 crore in FY2021 to Rs. 242.9 crore in FY2024. Although revenues declined sharply in FY2025, the same are expected to rebound to FY2024 levels in FY2026, aided by strong execution. The company's financial risk profile remains comfortable, characterised by healthy profitability, low leverage and adequate debt coverage metrics.

The rating strengths are, however, tempered by AIL's moderate scale of operations and pronounced revenue volatility, as reflected in the recent past, on account of slower project awarding, delays in site handovers, execution disruptions arising from extended monsoons and short-tenure nature of contracts it undertakes. The order book remains highly concentrated, with around 97% exposure to road maintenance projects, significant client and project concentration (top five projects accounting for about 75% of the order book), and geographical concentration limited to three states. While the presence of reputed government and private sector counterparties partially mitigates the counterparty risk, the elevated concentration exposes the company to project, client and region-specific disruptions. The rating is further constrained by the execution risks, as around 51% of the order book was yet to commence as of January 2026, with another 35% at an early stage of completion (<25%). In line with the industry characteristics, AIL carries sizeable contingent liability in the form of outstanding bank guarantees (Rs. 56 crore as on December 31, 2025 – viz. 75% of net worth as on March 31, 2025). These risks are partly mitigated by AIL's healthy execution track record and the absence of any instances of bank guarantee crystallisation in the past.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will be able to maintain healthy debt metrics due to its increase in scale of operations, given the outstanding OB while maintaining a satisfactory margin profile.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in civil construction industry and reputed clientele – AIL has an established operating track record of over two decades and is led by the Rajkot based promoter, Mr. Rasik Gondaliya (and family), who brings over four decades of experience in the domestic civil construction industry. The company has demonstrated execution capabilities in major maintenance and road construction projects undertaken on an EPC basis, as reflected in its reputed client base comprising both private entities and state government departments.

Adequate order book position provides medium-term revenue visibility – AIL's order book stood at around Rs. 419 crore as on January 20, 2026, translating into an OB/OI ratio of 1.7 times based on its peak OI of Rs. 243 crore in FY2024 (and 3.5 times based on FY2025 revenues). The order inflows remained healthy, with fresh contracts aggregating to Rs. 253 crore. These orders were added over the 10 month period ending January 20, 2026. Given the average execution tenor of about one year, the current order book provides adequate medium term revenue visibility.

Comfortable financial profile with low leverage and healthy debt coverage indicators – AIL's operating profitability margins remained above 12.5% during FY2021-2025 and strengthened in FY2025 with OPBITDA rising to 14.4%, (despite a sharp decline in revenues), driven by stringent cost control measures. The company's capital structure remained comfortable, as reflected by total outside liabilities to tangible net worth (TOL/TNW) of 0.4 times as on March 31, 2025, due to low reliance on external debt and efficient working capital cycle. The coverage indicators remained comfortable with the interest coverage at 12.7 times and DSCR at 3.0 times in FY2025. ICRA expects AIL's credit metrics to remain comfortable with interest cover likely to remain above 7.0 times and DSCR above 3.0 times over the medium term.

Credit challenges

Moderate scale of operations – AIL's scale of operations is expected to remain moderate over the near to medium term, with revenue visibility largely dependent on timely execution of its existing order book and sustained order inflows. While revenues are projected to rebound to the earlier peak levels in FY2026 (after a 50% dip seen in FY2025), the company's operating profile is likely to remain susceptible to external factors such as adverse weather conditions affecting bituminous works and volatility arising from short tenure contracts and uneven order inflows. Further, the order book continues to exhibit high concentration, with around 97% exposure to road projects and limited geographical diversification, as the ongoing projects are spread across only three states—Odisha, Gujarat, and Rajasthan. The company remains exposed to client and project concentration risks, with the top three clients accounting for about 62% of the order book and the top five projects constituting around 75%. While the presence of reputed government and private sector counterparties partially mitigates the counterparty risk, the elevated concentration heightens the vulnerability to project, client, or region specific disruptions.

Execution risks and sector-related risk including BG invocation risk – AIL's execution profile remains exposed to project implementation risks, as around 97% of the order book pertains to road construction and maintenance projects, with approximately 51% of the orders yet to commence as on January 20, 2026. Timely mobilisation and execution of these projects will remain critical from the credit perspective. In line with industry characteristics, the company carries sizeable contingent liabilities in the form of bank guarantees, amounting to Rs. 56.2 crore as on December 31, 2025 (equivalent to about 75% of net worth as on March 31, 2025), primarily towards contractual performance, earnest money deposits and mobilisation advances. While these exposures elevate the potential contingent risks, ICRA draws comfort from the company's demonstrated execution capabilities and the absence of any instances of bank guarantee invocation in the recent past.

Liquidity position: Adequate

The company's liquidity position is expected to remain adequate with cash flow from operations sufficient to meet its debt servicing obligations. The same is augmented by the cushion of ~Rs. 10.0 crore available in the undrawn fund-based limits (as on December 31, 2025, with average fund-based working capital utilisation over the 12-month period ending December 2025 at 18%) and unencumbered cash balance of Rs. 5.0 crore as on January 31, 2026. As against the same, AIL has principal debt repayments of Rs. 1.5 crore in FY2027 and marginal capex plans.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company demonstrates a significant and sustained improvement in its scale of operations while maintaining its profitability, debt coverage metrics and liquidity profile.

Negative factors – Negative pressure on AIL's ratings could arise if there is deterioration in the scale or operating profitability or elongation of working capital cycle, or significantly high debt-funded capex impacts its liquidity or overall financial profile.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Construction Corporate Credit Rating Methodology
Parent/group Support	Not applicable
Consolidation/standalone	Standalone

About the company

Incorporated in February 2022, Alpa Infrastructure Limited (AIL), is Rajkot-based (Gujarat) construction company, promoted by Mr. Rasik H Gondaliya. AIL has vast experience in the construction, O&M and MM in the road segment in India. The projects undertaken by the company are on EPC basis for private and state government entities. It was converted into public company with effect from February 11, 2025.

Key financial indicators (audited)

Standalone	FY2024	FY2025	10M FY2026*
Operating income (OI in Rs. crore)	242.9	121.2	132.6
PAT (in Rs. crore)	19.7	9.2	-
OPBDIT/OI (%)	13.5%	14.4%	14%
PAT/OI (%)	8.1%	7.5%	-
Total outside liabilities/Tangible net worth (times)	0.9	0.4	-
Total debt/OPBDIT (times)	0.4	0.5	1.0
Interest coverage (times)	13.4	12.7	7.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Note: All ratios as per ICRA's calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
	Type	Amount rated (Rs crore)	March 06, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based - Others	Short-term	10.00	[ICRA]A3+ ; Assigned	-	-	-	-	-	-
Fund-based - Overdraft	Long-term/Short-term	29.50	[ICRA]BBB(Stable) /[ICRA]A3+; Assigned	-	-	-	-	-	-
Non-fund based - Bank guarantee	Long-term/Short-term	80.50	[ICRA]BBB(Stable) /[ICRA]A3+; Assigned	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term - Fund-based - Overdraft	Simple
Long-term/Short-term - Non-fund based - Bank guarantee	Simple
Short-term - Fund-based - Others	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument'scredit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance/sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	**Long-term/ Short-term – Fund-based – OD limits**	NA	NA	NA	29.50	[ICRA]BBB(Stable)/ [ICRA]A3+
NA	**Short-term – Fund-based – Working capital limits**	NA	NA	NA	10.00	[ICRA]A3+
NA	**Long-term/ Short-term – Non-fund based – Bank guarantee**	NA	NA	NA	80.50	[ICRA]BBB(Stable)/ [ICRA]A3+

Source: Company, ICRA Research

Please Click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Not applicable

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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