

Ashwath Quippo Infraprojects Private Limited

August 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	58.00	CARE C; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated May 14, 2024, placed the rating(s) of Ashwath Quippo Infraprojects Private Limited (AQIPL) under the 'issuer non-cooperating' category as AQIPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. AQIPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated March 30, 2025, April 09, 2025 and April 19, 2025. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating of AQIPL takes into account the of default in servicing of debt obligations payable to M/s SREI Equipment Finance Ltd. (SEFL) which is not rated by CARE. However, there was no delays mentioned in the bank facility of RBL which is rated by CARE, dip in financial performance between FY21 to FY24, short track record of operations, deterioration in capital structure and debt coverage indicators, elongated operating cycle and highly competitive industry with business risk associated with tender-based orders. However the rating derives strength from its moderate order book position.

Analytical approach: Standalone

Detailed description of key rating drivers:

At the time of last rating on May 14, 2024, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies).

Key weaknesses

Default in servicing of debt facility not rated by CARE albeit timely servicing of debt rated by CARE: There has been default in servicing of debt obligations payable to M/s SREI Equipment Finance Ltd. (SEFL) which is not rated by CARE as per audited FY24 annual report. However, there was no delays mentioned in bank facility of Ratnakar Bank Ltd (RBL) which is rated by CARE.

Short track record of operations: AQIPL was incorporated as a joint venture initiative of Ashwath Urban Pure Private Limited (AUPPL) and Quippo Infrastructure Limited (QIL). AQIPL has short track record of operations with the company incorporated in June'16.

Dip in financial performance between FY21 and FY24: The total operating income (TOI) moderated from Rs.164.32 crore in FY21 to Rs.60.22 crore in FY24. The company has been experiencing continuous operating and net losses from FY21 to FY24. However, losses have reduced from Rs.83.73 crore in FY23 to loss of Rs.32.97 crore in FY24. Improvement in pace of execution and availability of sanctioned bank borrowings to meet additional working capital requirements is critical for performance of the company going forward.

Deterioration in capital structure and debt coverage indicators: The net worth stood at Rs.33.57 crore as on March 31, 2020, and deteriorated to negative Rs.194.58 crore in FY24 due to continuous losses. However, the debt has remained steady at Rs.278.58 crore as on Mar 31, 2024 vs Rs.279.45 crore as on Mar 31, 2023. Both interest cover and TD/GCA continue to remain negative due to losses.

Elongated operating cycle: The operations are working capital intensive due to long term nature of contracts. The working capital requirement is funded through creditors and loans from SEFL. Although the operating cycle has improved to 203 days in FY24 from 364 days in FY23, it continues to remain elongated. The improvement in operating cycle was primarily due to reduction in collection period from 373 days in FY23 to 217 days in FY24.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Highly competitive industry with business risk associated with tender-based orders: AQIPL faces direct competition from various organized and unorganized players in the industry. The company receives majority of work orders from public sector undertakings. The risk arises from the fact that any changes in geo-political environment and policy matters would affect all the projects at large. Furthermore, any changes in the government policy or government spending on projects can affect the revenues of the company. Further, the company undertakes government projects, which are awarded through the tender based/bidding system. This exposes the company towards risk associated with the tender-based business, which is characterized by intense competition. The growth of the business depends on its ability to successfully bid for the tenders and emerge as the lowest bidder.

Key strengths

Moderate albeit concentrated order book position: AQIPL had a moderate unexecuted order book of Rs.428 crore as on December 31, 2020. However, the order book remained relatively stagnant with low execution on account of Covid-19 and no new orders were received by the company in that particular year. The company has been exposed to concentration risk in order book as top three orders accounted for 74% of un-executed order book.

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

AQIPL was incorporated as a joint venture initiative of AUPPL and QIL. AUPPL was formed by the promoters of Ashwath Infratech Private Limited (AIPL; engaged in water management and rainwater harvesting solutions) to engage in the business of trenchless sewage rehabilitation. Whereas QIL is engaged in the business of services, leasing and banking of construction equipment. AQIPL is an integrated solution provider for urban water and sewage infrastructure projects. The company's capabilities in trenchless sewage works include de-silting & rehabilitation of sewage lines, borewell drilling & construction, pipelines renewal & laying and urban/rural water infrastructure.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	68.19	60.22
PBILDT	-61.77	-33.34
PAT	-83.73	-32.97
Overall gearing (times)	-1.73	-1.43
Interest coverage (times)	-123.39	-65.09

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Non-fund-based - LT-Bank Guarantee		-	-	-	34.00	CARE C; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee		-	-	-	24.00	CARE C; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT-Bank Guarantee	LT	34.00	CARE C; Stable; ISSUER NOT COOPERATING*	-	1)CARE C; Stable; ISSUER NOT COOPERATING* (14-May-24)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (08-Mar-23)
2	Non-fund-based - LT-Bank Guarantee	LT	24.00	CARE C; Stable; ISSUER NOT COOPERATING*	-	1)CARE C; Stable; ISSUER NOT COOPERATING* (14-May-24)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (08-Mar-23)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Non-fund-based - LT-Bank Guarantee	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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