

Alpha Infra Project Services LLP

January 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00 (Enhanced from 5.00)	CARE BB-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	35.00 (Enhanced from 15.00)	CARE BB-; Stable / CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the ratings assigned to the bank facilities of Alpha Infra Project Services LLP (AIPSL) continues to remain constrained due to thin profitability inherent to the trading business, although it is expected to improve with the stabilization of operations in Engineering, Procurement and Commissioning (EPC) segment. Ratings further remain constrained by moderate capital structure and debt coverage indicators along with stretched liquidity. The ratings also continue to be impacted by a concentrated customer profile, presence in the highly competitive and cyclical steel TMT bars trading industry, susceptibility of profit margins to volatility in steel prices, and working capital intensity in EPC contracting, along with the firm's constitution as a Limited Liability Partnership.

However, the ratings derive strength from the experienced and resourceful promoters, moderate scale of operations, and established relationships with suppliers. The ratings also factor in the improvement in scale of operations and profitability during H1FY26, supported by contributions from the EPC segment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the scale of operations marked by Total Operating Income (TOI) above ₹200 Crore while maintaining Profit before interest, lease rentals, depreciation and taxation (PBILDT) margin higher than 2% on sustained basis.
- Improvement in liquidity profile on a sustained basis.

Negative factors

- Deterioration in capital structure marked by overall gearing above 3x.
- Delay in infusion of funds by promoters or generating lower than envisaged cash accruals

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that AIPSL will continue to benefit from its experienced promoters and business diversification, which shall result in gradual improvement in its financial risk profile.

Detailed description of key rating drivers:

Key weaknesses

Thin profitability albeit improved

During FY25, profitability, marked by PBILDT margin, improved to 2.06% in FY25 from 1.67% in FY24, primarily driven by contributions from the EPC segment. However, operating profit continue to remain thin in absolute terms at ₹3.13 crore in FY25 compared to ₹2.21 crore in FY24. Further, profitability showed improvement in 8MFY26, with PBILDT margin of 3.33% and PAT margin of 1.12%. CareEdge Ratings expects the profit margins to sustain during full year FY26.

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

Moderate capital structure and debt coverage indicators

The capital structure, as marked by the overall gearing ratio, improved from 4.52x as on March 31, 2024, to 2.35x as on March 31, 2025, primarily due to an increase in the net worth base following a capital infusion of ₹2.95 crore by the partners during FY25 to support business operations. Furthermore, as on November 30, 2025, overall gearing further improved to 1.74x, aided by profits generated during 8MFY26. With additional capital infusion anticipated in FY26, the leverage position is expected to improve further. Debt coverage indicators of AIPSL, as reflected by the interest coverage ratio, improved to 2.50x in FY25 from 1.88x in FY24, primarily due to higher operating profits. However, Total Debt to Gross Cash Accruals (TD/GCA) deteriorated from 6.56x in FY24 to 8.53x in FY25, owing to an increase in outstanding debt as on March 31, 2025 with availing of working capital term loans of ₹10 crore during FY25 to support the EPC business. Furthermore, during 8MFY26, AIPSL availed additional debt of ~₹1.50 crore for equipment purchases to execute ongoing contracts.

Susceptibility of profit margins due to volatility in steel prices and cycle nature of industry

The steel industry is cyclical in nature, and the prices are exposed to market vagaries. Furthermore, the steel sector is strongly correlated to economic cycles since its key users, i.e., construction, infrastructure, automobiles, and capital goods, are heavily dependent on the state of the economy, and thus is cyclical in nature. Thus, any increase in prices without a corresponding increase in retail price can have an impact on the margins of the firm.

Presence in the highly competitive and fragmented steel TMT bars trading industry

The Indian steel industry is highly competitive and fragmented, particularly in the downstream segment, with a low level of product differentiation. This leads to intense competition and reduces bargaining power with customers. The steel trading industry is characterized by low entry barriers due to minimal capital expenditure requirements and the easy availability of technology, resulting in a proliferation of both small and large traders across the country. The widespread demand for steel and the small quantities consumed by retail customers have further contributed to the increase in the number of players in this industry. This fragmented nature has intensified competition, leading to very thin profit margins.

Working capital intensity due to business diversification as an EPC contractor

During FY25, the firm ventured into a new business segment of construction projects on an EPC basis. The EPC segment is inherently working capital intensive due to milestone-based payment terms, blockage of funds as retention and security deposits, and margin requirements for availing bank guarantee limits for project bidding. The company has two construction projects on hand awarded on subcontracted basis to AIPSL on a back-to-back basis. These projects include the construction of a government college and a hospital building, with an aggregate pending order value of ₹256.78 crore for AIPSL, representing 94% of the total contract value of ₹273.17 crore.

Key strengths**Experienced and resourceful promoters**

AIPSL is managed by Mr. Rajesh Rupani, Mr. Aminesh Rupani, Mr. Devarshi Rupani (Ahmedabad based Rupani family) and Mr. Narendra Singh Kushwaha. Majority of Partners having experience of more than two decades in the steel industry across India through other group entities.

Moderate scale of operations with further momentum expected

During FY25, the firm reported a moderate Total Operating Income (TOI) of ₹151.45 crore, compared to ₹132.51 crore in FY24. Further, in 7MFY26, the firm achieved revenue of ₹112.94 crore. For FY26, TOI is expected to reach ~₹225 crore, with ~₹160 crore from the trading business and ~₹65 crore anticipated from the EPC segment. Timely execution of EPC contracts without any time and costs parameters will remain key rating monitorable

Established relationships with suppliers

The firm sources over 95% of its TMT bars from Rashmi Metaliks Limited (RML), a Kolkata-based supplier. To facilitate this arrangement, AIPSL provides a Bank Guarantee to RML, against which RML extends a credit limit of ₹20 crore to AIPSL. Invoices raised by RML are typically settled by AIPSL within 30 days.

Liquidity: Stretched

Liquidity remained stretched, as indicated by low cash and bank balances, high utilization of working capital borrowings, and negative cash flow from operations during FY25. Cash and bank balance stood at ₹0.03 crore as on March 31, 2025 (₹0.70 crore as on November 30, 2025). Average utilization of working capital limits remained high at around 90% during the twelve months ended November 2025. Cash flow from operations continued to be negative at ₹13.21 crore in FY25 (₹2.77 crore in FY24), primarily due to an increase in receivables following the addition of the EPC segment. Consequently, operating cycle also deteriorated to 30 days in FY25 from 7 days in FY24. Furthermore, the firm utilizes non-fund-based limits for submission to its principal supplier. It reported gross cash accruals of ~₹2.00 crore in FY25 against debt repayment obligations of ₹3.74 crore falling due in FY26, with the shortfall expected to be met through fund infusion by promoters in form of capital and unsecured loans.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

[Rating Methodology - Construction Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

AIPSL, based in Ahmedabad, was incorporated in December 2023 and operates as a distributor of TMT steel bars across India. Previously, the promoters conducted the same business through a proprietorship firm viz. Alpha Infra Services (AIS; operational since 2016). While AIS still exists, its majority operations have been transferred to AIPSL from March 2023. During FY25, the firm entered into a new business segment, i.e. construction projects on an EPC basis.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26 (Prov.)
Total operating income	132.51	151.45	112.94
PBILDT*	2.21	3.13	3.76
Profit after tax (PAT)	1.56	1.97	1.27
Overall gearing (x)	4.52	2.35	1.74
Interest coverage (x)	1.88	2.50	2.61

A: Audited Prov.: Provisional; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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
Fund-based - LT-Working capital Term Loan		-	-	March-2028	10.00	CARE BB-; Stable
Fund-based/Non-fund-based-LT/ST		-	-	-	25.00	CARE BB-; Stable / CARE A4
Non-fund-based-LT/ST		-	-	-	10.00	CARE BB-; Stable / CARE A4

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	Fund-based/Non-fund-based-LT/ST	LT/ST	25.00	CARE BB-; Stable / CARE A4	-	1)CARE BB-; Stable / CARE A4 (22-Jan-25)	-	-
2	Non-fund-based-LT/ST	LT/ST	10.00	CARE BB-; Stable / CARE A4	-	1)CARE BB-; Stable / CARE A4 (22-Jan-25)	-	-
3	Fund-based - LT-Working capital Term Loan	LT	10.00	CARE BB-; Stable	-	1)CARE BB-; Stable (22-Jan-25)	-	-

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities- Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Working capital Term Loan	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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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