



## Press Release

**ACC India Private Limited (ACCIPL)**

**February 25<sup>th</sup>, 2025**

### Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	57.90 (Enhanced from Rs.23.90 crore)	IVR BBB/ Stable [IVR Triple B with Stable Outlook]	IVR BBB/ Stable [IVR Triple B with Stable Outlook]	Rating Reaffirmed	<a href="#">Simple</a>
Short term Bank Facilities	20.00 (Enhanced from Rs.15.00 crore)	IVR A3+ [IVR A Three Plus]	IVR A3+ [IVR A Three Plus]	Rating Reaffirmed	<a href="#">Simple</a>
Long Term Proposed Bank Facilities	5.10 (Reduced from Rs.11.10)	IVR BBB/ Stable [IVR Triple B with Stable Outlook]	IVR BBB/ Stable [IVR Triple B with Stable Outlook]	Rating Reaffirmed	<a href="#">Simple</a>
<b>Total</b>	<b>Rs. 83.00 crore (Rupees Eighty-Three Crore Only)</b>				

**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

Infomerics has reaffirmed the rating assigned to the bank facilities of ACCIPL reflects comfort from the strong order book from reputed clientele, moderate capital structure and strong debt coverage indicators and experienced promoters with long track record of operation. The rating strengths are, however, constrained by marginal decline in revenue and profitability and highly fragmented and competitive nature of the construction sector.

The Stable Outlook reflects expected growth in revenue and profitability with strong order book and expectations of stable debt protection metrics over FY25-FY27.

### Key Rating Sensitivities:

#### Upward Factors

- Sustained improvement in revenue and profitability while maintaining current debt protection metrics on a sustained basis.

#### Downward Factors



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- Sustained decline in revenue and profitability and/or deterioration in working capital cycle and/or any unplanned debt fund led capex leading to deterioration in credit profile and the liquidity position.

### List of Key Rating Drivers with Detailed Description

#### A. Key Rating Strengths

##### **Strong order book with reputed clientele**

ACCIPL has strong order book of Rs.3279.25 crore as on December 31<sup>st</sup>, 2024, likely to be execute over the period of 4 to 5 years thereby providing medium term revenue visibility. Their diverse portfolio across mixed-use developments (including residential & commercial projects) comes from different location like New Delhi, NCR (consist of 66%), Mumbai (5%), Kolkata (18%) and Hyderabad of 11%. AIPL's clientele includes reputable companies with strong payment histories such as Emami, Ambuja, PS Group, Unity Group, TARC Ltd, Signature Group and Tata Realty. This diversity help mitigate risks associated with regional market fluctuations. The ability to get new orders continuously and thereby timely execution of the same to add on to its scale and profitability will remain crucial from rating perspective.

##### **Moderate capital structure and strong debt coverage indicators**

The overall gearing remained comfortable at 0.62x as of March 31<sup>st</sup>, 2024 (period refers from April 01<sup>st</sup>, 2023 to March 31<sup>st</sup>, 2024) (March 31<sup>st</sup>, 2023: 0.66x) mainly due to improvement in tangible net worth based on the back of accretion of profits to reserves. However, TOL/TNW has improved but remained high at 4.40x in FY24 (FY23: 5.02x) due to high creditors and mobilization advances as on balance sheet date. The debt protection metrics marked by interest coverage ratio and total debt to GCA improved to 8.65x and 1.40x respectively in FY24 (FY23: 8.10x and 1.00x respectively) mainly due to no significant increase in total debt.

##### **Moderate working capital cycle**

Operating cycle stood negative at 32 days as on March 31<sup>st</sup>, 2024 (March 31<sup>st</sup>, 2023: negative 26 days). The construction business is associated with high working capital requirements to finance the extended operating cycle which is an inherent feature of the industry. Further majority of the funds are blocked in receivables. However, ACCIPL's receivables days stood at 41 days as of March 31<sup>st</sup>, 2024 (March 31<sup>st</sup>, 2023: 40 days). As a result, the average



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utilization of fund based working capital limits utilized around 67% during the past 12 months ended as on January 31<sup>st</sup>, 2025. Creditors days stood at 89 days as of March 31<sup>st</sup>, 2024. Creditors include contractors and labour which company hires on contract basis for particular projects, the outstanding amount to creditors will be settled upon completion of the respective projects.

### **Experienced promoters with long track record of operation**

Incorporated in 2012, ACC India Private Limited (ACCIPL) {subsidiary company of Arabian Construction Company (ACC)}, engaged in construction business of high-rise premium and sub-premium real estate projects major cities namely Mumbai, Delhi & Kolkata. Mr. Aniruddha Ray is managing director holds 49% of stake in ACCIPL. He possesses expertise in land acquisition, project development, and construction management, with a proven track record of successfully delivering complex real estate projects.

### **B. Key Rating Weaknesses**

#### **Marginal decline in revenue and profitability**

ACCIPL's revenue has marginally declined in FY24 to Rs.422.77 (FY23: Rs.455.15 crore), due to a construction ban in Delhi for nearly 50 days due to high pollution and design changes and site handover issues. However, ACCIPL has achieved revenue of Rs.322.94 crore in the 9MFY25 and has billed Rs.50 crore in January 2025. ACCIPL's EBITDA margins has marginal declined to 7.94% from 8.94% in FY23, due to increase in operational cost.

#### **Highly fragmented and competitive nature of the construction sector**

As entry and exit barriers in construction industry are low the industry has many organized as well as unorganized players and industry is highly fragmented. As a result of this, there is intense competition among industry players which in turn results into moderate profit margins.

**Analytical Approach:** Standalone



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### Applicable Criteria:

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Infrastructure companies](#)

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

[Criteria on Default Recognition](#)

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

### Liquidity: Adequate

The company's liquidity remains adequate marked by healthy projected gross cash accruals (GCA) of ~Rs.23 to ~Rs.56 crore p.a. in the next 2-3 years against minimal repayment obligation for FY25-27 period. As on March 31<sup>st</sup>, 2024, free cash and bank balance stood at Rs.4.47 crore and the average utilisation of working capital limits for 12-months ending January 2025 was ~67%. In FY24, net cash flow from operation stood at Rs.15.77 crores. As on March 31, 2024, the company's current ratio stood adequate at 1.25x (PY:1.04x).

### About the company

Incorporated in 2012, ACCIPL {subsidiary company of Arabian Construction Company (ACC)}, engaged in construction business of high-rise premium and sub-premium real estate projects major cities namely Mumbai, Delhi & Kolkata. As of December 2024, ACCIPL has around 34 projects in hand with an outstanding order value of Rs.3279.25 crore.

### Financials (Standalone):

(Rs. crore)

For the year ended / As On*	31-03-2023 (Audited)	31-03-2024 (Audited)
Total Operating Income	455.15	422.77
EBITDA	40.71	33.56
PAT	14.32	8.97
Total Debt	29.25	32.37
Tangible Net Worth	44.39	51.81
EBITDA Margin (%)	8.94	7.94
PAT Margin (%)	3.15	2.12
Overall Gearing Ratio (x)	0.66	0.62
Interest Coverage (x)	8.10	8.65

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** None.

**Any other information:** Nil



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### Rating History for last three years:

Name of Instrument /Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
	Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
Long term Bank Facilities	Long term	57.90	IVR BBB/ Stable	(December 21, 2023) IVR BBB/ Stable	--	--
Short term Bank Facilities	Short term	20.00	IVR A3+	(December 21, 2023) IVR A3+	--	--
Long Term Proposed Bank Facilities	Long term	5.10	IVR BBB/ Stable	(December 21, 2023) IVR BBB/ Stable	--	--

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### About Infomerics:

Infomerics Valuation And Rating Ltd (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.



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	--	--	Revolving	17.00	IVR BBB/ Stable
Long Term Bank Facilities – Cash Credit	--	--	Revolving	20.00	IVR BBB/ Stable
Long Term Bank Facilities – Cash Credit	--	--	Revolving	14.00	IVR BBB/ Stable
Long Term Bank Facilities – Overdraft	--	--	Revolving	6.90	IVR BBB/ Stable
Short Term Bank Facilities – Bank Guarantee	--	--	--	15.00	IVR A3+
Short Term Bank Facilities – Bank Guarantee	--	--	--	5.00	IVR A3+
Long Term Bank Facilities – Proposed	--	--	--	5.10	IVR BBB/ Stable



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**Annexure 2: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-acci-feb25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated analysis:** Not Applicable

**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](http://www.infomerics.com).