

## March 31, 2025

# Afcons Infrastructure Limited: Rating withdrawn for CP

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	
Long Term - Fund-Based – Term Loan**	970.0	970.0	[ICRA]A+(Stable); outstanding	
Long-Term – Fund-Based Facilities**	1,900.0	1,900.0	[ICRA]A+(Stable); outstanding	
Long-Term – Non-Fund Based Facilities**	17,490.0	17,490.0	[ICRA]A+(Stable); outstanding	
Short-term – Non-fund based facilities**	1,600.0	1,600.0	[ICRA]A1; outstanding	
Commercial paper	900.0	900.0	[ICRA]A1; withdrawn	
Total	23,160.0	23,160.0		

\*Instrument details are provided in Annexure I; \*\* Client has requested for withdrawal of the bank loan rating. On completion of the requisite documentation, ICRA will withdraw the rating in line with ICRA's policy on withdrawal.

### Rationale

ICRA has withdrawn the short-term rating of [ICRA]A1 assigned to the Commercial Paper (CP) programme of Afcons Infrastructure Limited (AIL). The rating is withdrawn in accordance with ICRA's policy on withdrawal at the request of the company, as the CP was not placed and there is no amount outstanding against the same.

The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: <u>Click here</u>

## **Analytical approach**

Analytical approach	Comments			
	Corporate Credit Rating Methodology			
Applicable rating methodologies	Rating Methodology - Construction			
	Policy on Withdrawal of Credit Ratings			
Parent/Group support	Not Applicable			
Consolidation/Standalone	For arriving at the ratings, ICRA has considered consolidated financials of AIL. The list of companies that are consolidated to arrive at the ratings are given in Annexure II.			

### About the company

AIL, incorporated in 1976 as Asia Foundations and Constructions Limited, is a reputed construction entity and is a part of the SP Group, which holds majority stake of 50.17% in the company. It operates in diverse segments such as marine works (including construction of jetties and dry docks), offshore oil and gas, bridges and flyovers, road construction, hydro and tunnelling, pipe laying and general civil engineering works. AIL commenced operations as a civil construction firm in 1959 and was initially involved in constructing specialised foundation activities, such as pile foundations, diaphragm walls, geotechnical investigations, drilling and grouting. It entered the marine segment in 1963 and subsequently undertook design and build



contracts. Over the years, AIL has increased its presence geographically and has executed projects across fifteen Indian states, in addition to overseas projects in 14 countries.

#### **Key financial indicators (audited)**

AIL – Consolidated	FY2023	FY2024	9M FY2025*
Operating income	12,654.8	13,277.2	9328.39
PAT	410.9	449.8	375.9
OPBDIT/OI	10.67%	10.4%	11.4%
PAT/OI	3.2%	3.4%	4.0%
Total outside liabilities/Tangible net worth (times)	3.5	3.5	
Total debt/OPBDIT (times)	1.2	1.8	
Interest coverage (times)	3.0	2.4	

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

#### Status of non-cooperation with previous CRA: Not applicable

#### Any other information: None

## **Rating history for past three years**

	Current (FY2025)			Chronology of rating history for the past 3 years						
Instrument	Amount			FY2024		FY2023		FY2022		
	Туре	rated (Rs. crore)	Mar 31, 2025	Date	Rating	Date	Rating	Date	Rating	
NCD	Long Term	-	-	Mar 27, 2024	[ICRA]A+ (Stable); reaffirmed and withdrawn	Sep 1, 2022	[ICRA]A+ (Stable)	-	-	
				Sep 29 2023	[ICRA]A+ (Stable)	Oct 29, 2021	[ICRA]A+ (Negative)	-	-	
Term loan	Long	970.0	[ICRA]A+	Mar 27, 2024	[ICRA]A+ (Stable)	Sep 1, 2022	[ICRA]A+ (Stable)	-	-	
Term Ioan	Term	(Stable)	Sep 29 2023	[ICRA]A+ (Stable)	Oct 29, 2021	[ICRA]A+ (Negative)	-	-		
Cash credit	Long	Long 1 000 0	[ICRA]A+	Mar 27, 2024	[ICRA]A+ (Stable)	Sep 1, 2022	[ICRA]A+ (Stable)	-	-	
Cash creuit	1,900.0 Term	(Stable)	Sep 29 2023	[ICRA]A+ (Stable)	Oct 29, 2021	[ICRA]A+ (Negative)	-	-		
Non-fund	17.490.0	17 490 0	[ICRA]A+	Mar 27, 2024	[ICRA]A+ (Stable)	Sep 1, 2022	[ICRA]A+ (Stable)	-	-	
based (BG/LC)		(Stable)	Sep 29 2023	[ICRA]A+ (Stable)	Oct 29, 2021	[ICRA]A+ (Negative)	-	-		
Short-term	Short			Sep 29 2023	[ICRA]A1	Sep 1, 2022	[ICRA]A1	-	-	
loans	Term	-	-	-	-	Oct 29, 2021	[ICRA]A1	-	-	
Non-fund	Short	1,600.0	[ICRA]A1	Mar 27, 2024	[ICRA]A1	Sep 1, 2022	[ICRA]A1	-	-	
based (BG/LC)	based (BG/LC) Term		[ΙΟΛΑ]ΑΙ	Sep 29 2023	[ICRA]A1	Oct 29, 2021	[ICRA]A1	-	-	
Commercial	Short	hort 900.0	[ICRA]A1;	Mar 27, 2024	[ICRA]A1	Sep 1, 2022	[ICRA]A1	-	-	
paper	Term	900.0	withdrawn	Sep 29 2023	[ICRA]A1	Oct 29, 2021	[ICRA]A1	-	-	



## **Complexity level of the rated instruments**

Instrument	Complexity indicator
Long term - Fund-based – Term loan	Simple
Long-term – Fund-based facilities	Simple
Long-term – Non-fund based facilities	Very Simple
Short-term – Non-fund based facilities	Very Simple
Commercial paper	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's credit 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: <u>Click here</u>



#### Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Term loan	February 2017	NA	April 2029	970.0	[ICRA]A+ (Stable)
NA	Long-term – Fund-based facilities	NA	NA	NA	1,900.0	[ICRA]A+ (Stable)
NA	Long-term – Non-fund- based facilities	NA	NA	NA	17,490.0	[ICRA]A+ (Stable)
NA	Short-term – Non-fund- based facilities	NA	NA	NA	1,600.0	[ICRA]A1
NA	Commercial paper	Yet to be placed	NA	NA	900.0	[ICRA]A1; withdrawn

Source: Company

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

## Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach	
Hazarat and Company Private Limited	100%	Full consolidation	
Afcons Corrorsion Protection Private Limited	100%	Full consolidation	
Afcons Hydrocarbons Engineering Private Limited	100%	Full consolidation	
Afcons Oil & Gas Services Private Limited	74%	Full consolidation	
Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL	49%	Full consolidation	
Afcons Construction Mideast LLC	100%	Full consolidation	
Afcons Gulf International Projects Services FZE	100%	Full consolidation	
Afcons Mauritius Infrastructure Limited	100%	Full consolidation	
Afcons Overseas Singapore Pte Limited	100%	Full consolidation	
Afcons Infra Projects Kazakhstan LLP (Step Down Subsidiary)	100%	Full consolidation	
Afcons Saudi Constructions LLC	100%	Full consolidation	
Afcons Overseas Project Gabon SARL (Step Down Subsidiary)	100%	Full consolidation	

Source: Company



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