

June 30, 2026

Coastal Marine Construction and Engineering Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating Action |
|--------------------------------------|-----------------------------------|----------------------------------|--|
| Long-term – Fund-based – Term loan | 250.00 | 350.00 | [ICRA]A+ (Stable); reaffirmed/assigned for the enhanced amount |
| Long-term – Fund based – Cash credit | 50.00 | 75.00 | [ICRA]A+ (Stable); reaffirmed/assigned for the enhanced amount |
| Short-term – Non-fund based limits | 850.00 | 1,725.00 | [ICRA]A1+; reaffirmed/assigned for the enhanced amount |
| Total | 1,150.00 | 2,150.00 | |

*Instrument details are provided in Annexure-II

Rationale

ICRA has revised its approach to rating Coastal Marine Construction and Engineering Limited (COMACOE) by transitioning to an assessment based on consolidated financial statements from the earlier standalone approach. This is on account of the near 100% ownership structure, common management, and the absence of any regulatory or operational restrictions on cash flow fungibility across the Group. Further, COMACOE has added subsidiaries, including the newly incorporated entities in the United Arab Emirates (UAE) operating as extensions of the parent's core business and expected to be reliant on it for execution and funding support (including SBLCs). Additionally, the ships/vessels/equipment held through the Mauritius-based subsidiary remain integral for the Group's marine engineering business. Given the increasing scale, strong operational and financial linkages, and expected support mechanism, ICRA believes that a consolidated analytical approach is more appropriate for assessing COMACOE's credit profile.

ICRA has reaffirmed the ratings for COMACOE supported by its healthy financial risk profile, characterised by low leverage (estimated TOL/TNW of 0.2 times as on March 31, 2026), strong coverage indicators (DSCR of 21.8 times and interest cover of 46.8 times in FY2026E) and comfortable liquidity, reflected in free cash and liquid investments exceeding Rs. 600 crore. The ratings draw comfort from the management's extensive experience, the company's established track record of over three decades in marine construction and geotechnical services, along with robust operating margins of 38–44% over FY2023–FY2026E, aided by a favourable contract mix and execution capabilities.

The company reported strong growth in operating income (OI) to ~Rs. 1,278 crore in FY2026 (provisional) from Rs. 570 crore in FY2025, driven by substantial billing from a large Bangladesh project. Post this robust performance, FY2027E revenue is expected to be lower on a YoY basis based on the order book position as on March 31, 2026; nevertheless, it is likely to remain meaningfully higher than the levels witnessed up to FY2025. The unexecuted order book stood at Rs. 1,568.4 crore as on March 31, 2026, translating to an OB/OI ratio of ~1.2 times, providing near-term revenue visibility. Considering the company's plans to scale up its overseas operations, some volatility in operating margins is likely over the near-to-medium term, as this expansion may necessitate competitive bidding for overseas contracts. Nevertheless, margins are likely to remain healthy, supported by in-house survey capabilities and access to design consultants providing cost and execution efficiencies. Despite planned capex of ~Rs. 240 crore over FY2027–FY2028, ICRA expects the company's credit metrics to remain comfortable, with interest cover above 13 times and TOL/TNW below 0.3 times. However, sustaining order inflows and timely execution will remain critical for supporting growth.

The ratings remain constrained by COMACOE's relatively moderate scale and high concentration of its order book across projects, clients, segments and geographies, with the top orders and key clients accounting for a sizeable share, exposing the

company to counterparty and project-specific risks. It is also vulnerable to sizeable contingent liabilities in the form of bank guarantees, primarily towards performance obligations, mobilisation advances and retention money, although comfort is derived from the absence of any material invocation in the past. Further, the absence of price variation clauses in most contracts exposes the company to input cost volatility, particularly in a specialised marine environment where project complexity is high. Any delays in execution or cost overruns could exert pressure on margins and working capital, thereby necessitating strict control over project timelines and costs to sustain profitability and credit metrics.

The Stable outlook reflects ICRA's opinion that COMACOE will be able to sustain its credit profile, supported by the current OB and execution track record, while maintaining a strong liquidity profile.

Key rating drivers and their description

Credit strengths

Healthy financial risk profile and strong liquidity – The company's financial profile remains healthy, characterised by strong operating margins, low leverage (estimated TOL/TNW of 0.2 times as on March 31, 2026) and comfortable coverage indicators (DSCR of 21.8 times and interest cover of 46.8 times for FY2026E). The liquidity position is strong, marked by free cash and liquid investments of over Rs. 600 crore as on March 31, 2026. Despite debt-funded capex plans of around Rs. 240 crore over next 18-24 months, the company's credit metrics are expected to remain comfortable with interest cover above 13 times and TOL/TNW below 0.3 times over the medium term. The operating margins remained robust at around 38-44% over FY2023-FY2026E, supported by a favourable revenue mix comprising high margin-accretive contracts. Considering the company's plans to scale up its overseas operations, some volatility in operating margins is likely over the near-to-medium term, as this expansion may necessitate competitive bidding for overseas contracts. Nevertheless, they are likely to remain healthy, supported by COMACOE's established in-house survey capabilities and access to consultants for pre-construction design works, which provide cost efficiencies and execution advantages.

Extensive experience and established position in geotechnical investigation, survey work in oil and gas sector and strong execution track record in marine construction segment – The management has experience of over three decades and established position in the pre-engineering and pre-construction geotechnical investigation services for the oil and gas sector and other marine construction projects. The company has a demonstrated track record in execution of projects in geotechnical investigation and survey work in the oil and gas sector, along with the marine (pipeline construction) industry. Further, the company is performing operations and maintenance (O&M) projects for single point mooring buoy, submarine pipeline systems, etc.

Credit challenges

Moderate scale and order book provide limited revenue visibility; OB concentration persists – COMACOE's scale remains relatively moderate, given its niche, marine-focused operations. The company reported a provisional OI of ~Rs. 1,278 crore in FY2026 (a ~124% YoY increase), driven by one-off high billing from a large Bangladesh project in FY2026. Post this robust performance, FY2027E revenue is expected to be lower on a YoY basis based on the order book position as on March 31, 2026; nevertheless, it is likely to remain meaningfully higher than the levels witnessed up to FY2025. The unexecuted order book of Rs. 1,568.4 crore as on March 31, 2026, translating into an OB/OI ratio of ~1.2 times of FY2026 revenue, provides near-term revenue visibility. Additionally, scale-up from the newly incorporated UAE subsidiaries remains to be seen, underscoring the need for sustained order inflows and timely execution for scale-up in operations from FY2026 levels.

The order book remains concentrated, with the top five orders accounting for 79% of the OB and top three clients contributing around 80%, alongside geographical concentration in Maharashtra, Gujarat and Kerala (~61%). Segmental concentration also persists with the marine segment forming the bulk of the order book as on March 31, 2026. The company faces execution risk, given that a notable share of the OB (24% as on March 31, 2026 – excluding long-tenure O&M contracts) is in the nascent stages of execution (less than 10% completed), exposing the company to execution risks. While these are largely recent awards, progress is contingent on timely workfront availability and design approvals. Any delays could adversely impact execution timelines and revenue realisation.

Inherent risks associated with construction sector including sizeable non-fund based exposure – COMACOE is susceptible to the cyclical nature inherent in the construction industry and tender-based contract award system, resulting in volatility in order inflows and revenues. However, its long presence and established relationships with clients, provide comfort. Further, the company’s project contracts generally do not have a price-variation clause, thus exposing its operating margin to cost escalation risk. However, the commodity/raw material content is relatively low in the marine projects executed, with major costs entailed being hiring cost for equipment/vessels, which mitigate the cost escalation risk to an extent. COMACOE is vulnerable to sizeable contingent liabilities in the form of bank guarantees (o/s ~Rs. 443 crore as on December 31, 2025, viz, ~30% of the provisional net worth), mainly for contractual performance, mobilisation advance and retention money. Nonetheless, its strong execution track record and absence of any material invocation of guarantees in the past provides comfort.

Liquidity position: Strong

COMACOE’s liquidity position is expected to remain strong, driven by healthy cash flows from operations and supported by free cash and liquid investments of over Rs. 600 crore (including unencumbered cash balance of around Rs. 400 crore) and buffer available in the working capital limits (Rs. 40 crore) as on March 31, 2026. Of COMACOE’s planned capex, around Rs. 150-175 crore is expected in FY2027 (to be partly debt-funded) with debt repayment obligations of Rs. 13-18 crore per annum for FY2027 and FY2028, which can be comfortably met through the operational cash flows and available cash balance. The average utilisation of its fund-based facilities stood at 24% in the 12 months ended April 2026, which provides ample cushion.

Rating sensitivities

Positive factors – ICRA could upgrade COMACOE’s ratings if the company scales up significantly and materially diversifies its business presence, while maintaining low leverage and a strong liquidity profile on a sustained basis.

Negative factors – Pressure on the ratings could arise if weak order addition or any significant delays in project execution leads to a sustained decline in its scale, operating profitability, or deterioration in its liquidity position. Further, any sizeable debt-funded capex/inorganic expansion or stretch in receivable position which significantly weakens its liquidity, could also exert pressure on the ratings.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology Construction |
| Parent/Group support | Not Applicable |
| Consolidation/Standalone | The ratings are based on the company’s consolidated financials. List of entities given in Annexure III. |

About the company

Incorporated in 1995, Coastal Marine Construction and Engineering Limited (COMACOE) is an Indian company providing geotechnical investigation services during the pre-engineering and pre-construction stages for oil and gas sector and other marine-construction projects, along with EPC services for marine projects. Initially, COMACOE focused on Marine Surveys and Geotechnical Soil Investigations. In 2009, it entered marine construction, undertaking projects such as sea water intake and outfall (SWIO) systems, and operation and maintenance projects for single point mooring (SPM) buoy and submarine pipelines. Since then, it has developed experience across foundation engineering, diving, trenching and pipe laying.

COMACOE has executed projects in India and overseas, including Senegal, Qatar, Iran, Iraq, UAE, Sudan, Vietnam, Malaysia, Brunei, Mexico, Mozambique, Mauritius, Bangladesh, Tanzania, Yemen, Nigeria. The company operates across three key marine sub-segments: geosciences - hydrographic/oceanographic/site surveys, foundation engineering, etc, operation and maintenance - port and terminal infrastructure, marine infrastructure - sea water intake and civil construction. Further, the Group has established geographical presence in Mauritius and UAE through its subsidiaries.

Key financial indicators

| Consolidated | FY2024 | FY2025 |
|--|--------|--------|
| Operating income (Rs. crore) | 468.1 | 570.0 |
| PAT (Rs. crore) | 148.8 | 205.5 |
| OPBDIT/OI (%) | 38.1% | 43.9% |
| PAT/OI (%) | 31.8% | 36.0% |
| Total outside liabilities/Tangible net worth (times) | 0.3 | 0.3 |
| Total debt/OPBDIT (times) | 0.4 | 0.2 |
| Interest coverage (times) | 14.4 | 19.2 |

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

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

| Instrument | Current rating (FY2027) | | | Chronology of rating history for the past 3 years | | | | | |
|-----------------------|-------------------------|--------------------------|-------------------|---|--------|--------------|-------------------|--------------|-------------------|
| | Type | Amount rated (Rs. crore) | Jun 30, 2026 | FY2026 | | FY2025 | | FY2024 | |
| | | | | Date | Rating | Date | Rating | Date | Rating |
| Term loan | Long term | 350.00 | [ICRA]A+ (Stable) | - | - | Mar 20, 2025 | [ICRA]A+ (Stable) | Jun 23, 2023 | [ICRA]A+ (Stable) |
| | | | | - | - | Oct 22, 2024 | [ICRA]A+ (Stable) | - | - |
| | | | | - | - | Sep 25, 2024 | [ICRA]A+ (Stable) | - | - |
| Cash credit | Long term | 75.00 | [ICRA]A+ (Stable) | - | - | Mar 20, 2025 | [ICRA]A+ (Stable) | Jun 23, 2023 | [ICRA]A+ (Stable) |
| | | | | - | - | Oct 22, 2024 | [ICRA]A+ (Stable) | - | - |
| | | | | - | - | Sep 25, 2024 | [ICRA]A+ (Stable) | - | - |
| Non-fund based limits | Short term | 1,725.00 | [ICRA]A1+ | - | - | Mar 20, 2025 | [ICRA]A1+ | Jun 23, 2023 | [ICRA]A1+ |
| | | | | - | - | Oct 22, 2024 | [ICRA]A1+ | - | - |
| | | | | - | - | Sep 25, 2024 | [ICRA]A1+ | - | - |

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

| Sr. No. | Instrument | FSR |
|---------|--|--|
| 1 | Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | SEBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) | RBI |
| 9 | External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11 | Fixed Deposits raised by NBFCs, Banks, HFCs, FIs | RBI |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Listed Security Receipts | SEBI |
| 15 | Unlisted Security Receipts | RBI |
| 16 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | Investor-side Regulator such as IRDAI, PFRDA (%) |

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

| Sr. No. | Activity Name | FSR |
|---------|--|------|
| 1 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 2 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 3 | Independent Credit Evaluation (ICE) | RBI |
| 4 | Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs) | RBI |
| 5 | Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities)) | SEBI |
| 6 | Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities)) | MCA |
| 7 | Credit Rating of Borrowing programme | (@) |
| 8 | Issuer Ratings | (#) |
| 9 | Monitoring Agency | SEBI |
| 10 | Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs) | NA |

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instrument

| Instrument | Complexity indicator |
|--------------------------------------|----------------------|
| Long-term – Fund-based – Term loan | Simple |
| Long-term – Fund based – Cash credit | Simple |
| Short-term – Non-fund based limits | 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: [Click here](#)

Annexure II: Instrument details

| ISIN | Instrument name | Date of issuance | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|-----------------------|------------------|-------------|----------|--------------------------|----------------------------|
| NA | Term loan | FY2023 | NA | FY2033 | 350.00 | [ICRA]A+ (Stable) |
| NA | Cash credit | NA | NA | NA | 75.00 | [ICRA]A+ (Stable) |
| NA | Non-fund based limits | NA | NA | NA | 1,725.00 | [ICRA]A1+ |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

| Company name | COMACOE's stake | Consolidation approach |
|---|-----------------|------------------------|
| Oceanic Solutions Limited | 100% | Full consolidation |
| Comacoe Shipbuilders and Engineers Pvt Ltd | 100% | Full consolidation |
| Octadeca Systems LLP | 80% | Full consolidation |
| COMACOE Terra Contracting LLC | 100% | Full consolidation |
| COMACOE Geosciences Engineering Consultancy LLC | 100% | Full consolidation |
| COMACOE Marine Construction LLC | 100% | Full consolidation |
| COMACOE Trenchless Solutions Pvt Ltd | 100% | Full consolidation |

Source: Company

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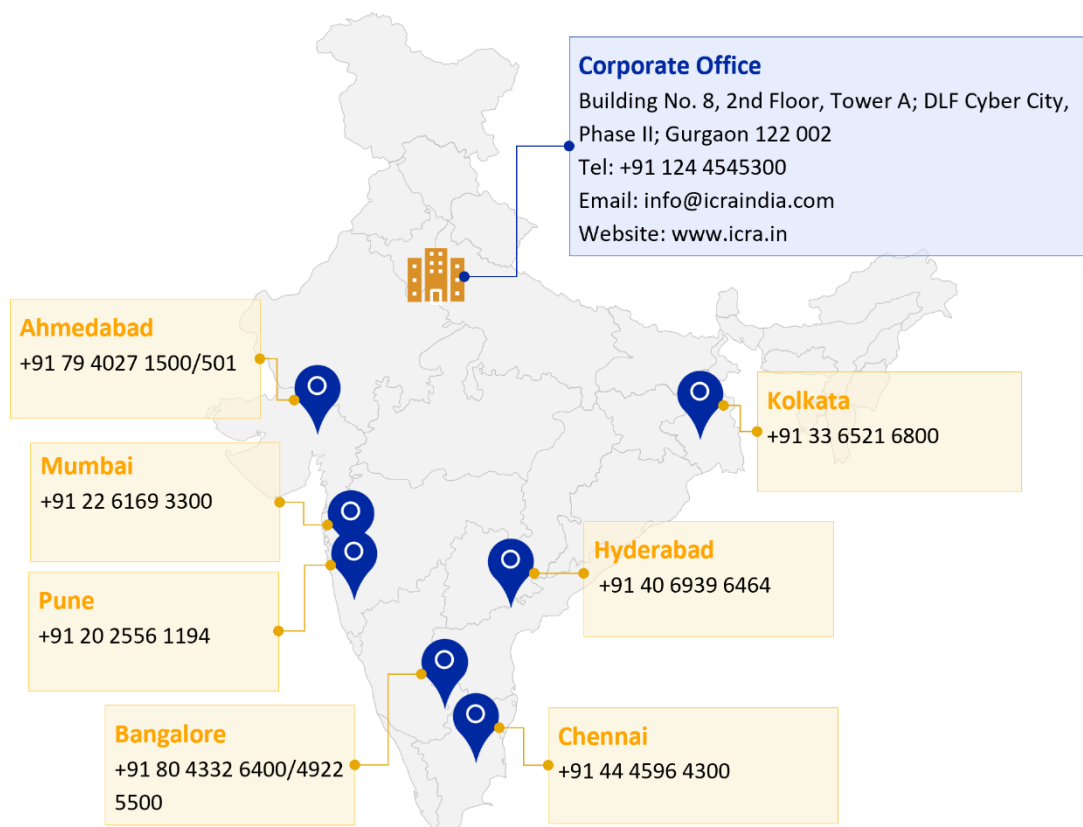


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