

## Ayushajay Construction Private Limited

April 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	4.00	CARE BBB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	81.00	CARE BBB+; Stable / CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to the bank facilities of Ayushajay Construction Private Limited (ACPL) continue to derive strength from extensive experience of the promoters in the toll collection business with established track record of over two decades, diversified investment portfolio, comfortable capital structure and strong liquidity position.

The rating strengths are, however, tempered by the fluctuating scale of operations in an intensely competitive and fragmented toll collection business, moderate profitability which is highly susceptible to traffic on the project stretch, susceptibility of returns on its investment portfolio to volatile capital, and exposure to group by way of loans and advances extended by ACPL.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive Factors

- Improved revenue visibility over the medium term backed by receipt of medium to long-term toll collection contracts from NHAI with moderate concession fees.

#### Negative Factors

- Non-receipt of new toll collection contracts impacting its revenue visibility.
- Undertaking derivative based transactions in the capital markets on a sustained basis.
- Deterioration in capital structure resulting in overall gearing above 1.00x for external debt on a sustained basis.
- Deterioration in its liquidity position marked by free cash and bank balance (including liquid investments) dropping below Rs.150 crore.

### Analytical approach: Standalone

#### Outlook: Stable

CARE Ratings Limited (CARE Ratings) expects the overall performance of the company to remain stable with comfortable capital structure and healthy liquid investments.

### Detailed description of key rating drivers:

#### Key strengths

##### Vast experience of the promoters

Mr. Ajay Agrawal, promoter of ACPL has been actively involved in toll collection business since 1972 and has been associated as a consultant in many Build Operate Transfer (BOT) projects in the roads and bridges segment. He is assisted by his son, Mr. Ayush Agrawal along with team of professionals to manage its day-to-day operations. Furthermore, ACPL has an established operational track record of over two decades in executing toll collection contracts on national highways across India.

##### Comfortable capital structure and debt coverage indicators

ACPL does not have any external debt as on March 31, 2024, and the debt of Rs. 187.48 crores (PY: Rs.126.84 crore) consists of preference shares issued to Operate, maintain and Transfer projects (wherein ACPL is a Joint Venture partner). Capital structure of ACPL continued to remain comfortable marked by an overall gearing of 0.96x as at FY24 end (0.87x as at FY23 end).

Furthermore, with low finance cost given absence of any external debt as against the healthy cash accruals, the debt coverage metrics marked by interest coverage ratio stood highly comfortable at 13.44x in FY24 as against 66.98x in FY23.

##### Diversified investment portfolio albeit exposed to market risk

ACPL has a diversified investment portfolio spread across capital markets (including mutual funds), real estate assets, corporates and individuals. ACPL invests surplus funds from its toll collection projects in either of the above asset classes on which it earns dividend/ interest, apart from capital appreciation on the said assets. ACPL is also involved in trading of listed securities. As a

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

significant portion of its liquidity is invested in the capital markets, ACPL remains exposed to any sharp price movements in the market.

### Thrust of government on infrastructure development

The Government of India has undertaken several steps for boosting the infrastructure development and reviving the investment cycle in the segment, which was facing a slowdown since past couple of years. The same is expected to drive growth opportunities and benefit the infrastructure sector.

### Key weaknesses

#### Fluctuating scale of operations along with modest order book indicating low revenue visibility

During FY24, ACPL registered TOI of Rs. 52.69 crore as against Rs. 475.82 crore in FY23 owing to lower toll collection projects on hand during the year. However, the company reported PBILDT margin of 17.59% in FY24 (P.Y: 5.09) owing to higher dividend income received from SPV (Rs. 15.12 crore in FY24 as against Rs. 8.63 crore in FY23). In FY25, ACPL has 2 toll collection projects with total contract value of ~Rs. 78 crore which includes toll collection projects at Tamsadabad Plaza, ended in July 2024 and Behram Plaza ending in November 2025 providing short term revenue visibility.

### High group exposure

The company has investment of Rs.72.12 crore as on March 31, 2024 (Rs.75.94 crore as on March 31, 2023) in group/associate entities, largely in the form of loans and advances. Such exposure forms 37% of net worth as on same date. Increased exposure towards group entities thereby impacting the credit profile would be key rating monitorable.

### High competition in the toll-collection business along with associated traffic risk

Toll collection contracts have low entry barriers and require low initial investment & capital expenditure as compared to BOT projects, making it more lucrative for small-mid size entities resulting in increased competition and aggressive bidding. Furthermore, GOI has undertaken various measures such as relaxation in submission of performance security amongst others, which has further increased competition in the segment. Nevertheless, the profitability and debt coverage indicators remain exposed to variable toll collection income considering payment of concession fees to the authority is fixed in nature.

### Liquidity: Strong

ACPL does not any external debt outstanding as on March 31, 2024, as against GCA of Rs. 42.90 crore in FY24. Furthermore, utilization of fund based, and non-fund-based limits remained 53% and 5% respectively. Also, ACPL had free cash and bank balances of Rs. 9.10 crore, fixed deposits of Rs. 22.54 crore, investment in mutual funds of Rs. 187.33 crore and other equity investments.

### Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Infrastructure	Road Assets–Toll, Annuity, Hybrid-Annuity

Indore-based ACPL was incorporated in 1995 by Mr Ajay Agrawal, the Chairman and Managing Director of the company. ACPL primarily undertakes OMT projects and toll collections contracts for NHA and state road development agencies.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	475.82	52.69
PBILDT	24.23	9.27
PAT	24.47	42.49
Overall gearing (times)	0.87	0.96
Interest coverage (times)	66.98	13.44

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

**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-Long Term		-	-	-	4.00	CARE BBB+; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	81.00	CARE BBB+; Stable / CARE A2

#### 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-Long Term	LT	4.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (05-Apr-24)	-	1)CARE BBB+; Stable (30-Mar-23)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	81.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (05-Apr-24)	-	1)CARE BBB+; Stable / CARE A2 (30-Mar-23)

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-Long Term	Simple
2	Non-fund-based - LT/ ST-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](mailto:care@careedge.in) for clarifications.

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### About us:

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### Disclaimer:

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