

## Ahluwalia Contracts (India) Limited

April 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	186.00 (Enhanced from 170.00)	CARE AA-; Stable	Reaffirmed
Long-term / Short-term bank facilities	2,954.00 (Enhanced from 2,345.00)	CARE AA-; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Ahluwalia Contracts (India) Limited (ACIL) reflects its four-decade experience in construction engineering, procurement, and construction (EPC) space with strong order book position and reputed counterparties, sustained growth in scale of operation over the years while maintaining a healthy capital structure, and strong liquidity profile.

Order book has grown consistently over the years and improved to ₹18,057 crore as on September 30, 2025, equivalent to 4.41x of FY25 total operating income (TOI), ensuring long-term revenue visibility. Majority orders are in building construction, leveraging ACIL's core expertise. Revenue grew 6% in FY25 to ₹4,093 crore (PY: ₹3,892 crore), while profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin moderated to 8.21% (PY: 9.93%) due to higher employee costs and overheads in large projects, which were yet to translate into revenues. Revenue for 9MFY26 grew 12% compared to 9MFY25 and profitability margins improved as large projects progressed, aiding fixed cost absorption. CARE Ratings Limited (CareEdge Ratings) expects execution momentum to continue, likely sustaining the improved profitability. With a strong diversified order book and execution capabilities, CareEdge Ratings expects scale to grow in the medium term and margin improvement to above 10%. However, few large projects are yet to commence execution and the impact on the operating metrics shall be key monitorable.

Ratings also derive comfort from low leverage and debt coverage as reflected in total outside liabilities to tangible net worth (TOL/TNW) of 1.06x as on March 31, 2025, and total debt/PBILDT of 2.13x as on March 31, 2025. ACIL also maintains large liquid funds of ₹840 crore as of January 31, 2026, which supports incremental working capital requirements.

However, rating strengths are tempered by working capital intensive operations with moderate gross current asset days of 210 days (PY: 205 days) primarily led by extended collection days in the last three years (from level of 77 days in FY22 to 136 days in FY25). This necessitated increased working capital requirements. Inherent cyclical trends associated with civil construction and concentration in the NCR region, which is susceptible to construction bans by the National Green Tribunal (NGT) are other credit risks.

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

#### Positive factors

- Sustained growth in scale of operations by 20%-25% over the medium term, and improved profitability and segmental revenue diversity.

#### Negative factors

- Elongation of gross current asset (GCA) days beyond 275 days on a sustained basis.
- Decline in the scale of operations and contraction in profitability margins below 8% on a sustained basis.
- Deterioration in the orderbook position with revenue visibility below 2x.

### Analytical approach: Standalone

CareEdge Ratings has considered the standalone financials of ACIL for the assessment of its credit profile. ACIL has five subsidiaries. However, none of them have material operations.

### Outlook: Stable

The outlook remains 'Stable', supported by strong order book providing long-term revenue visibility and likely improvement in profitability. ACIL is expected to sustain its strong financial profile with low reliance on borrowings.

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

## Detailed description of key rating drivers:

### Key Strengths

#### Healthy and diversified order book

The company had an outstanding order book of ₹18,057 crore as on September 30, 2025, ~4x of FY25 TOI, ensuring strong revenue visibility. Private sector contracts constitute 69% of the order book (up from 52% in September 2024). The order book is geographically diversified across 15 Indian states and Nepal, with projects executed in Bihar, Jammu and Kashmir, West Bengal, Delhi, Maharashtra, Uttar Pradesh, and Uttarakhand. ACIL also remains diversified across infrastructure, residential and commercial real estate and healthcare segments. The company has undertaken large residential projects in Gurgaon, which has increased the exposure to such segment and geography to ~44% (against 23% in the last year), respectively. While counterparties for such projects are strong, timely execution shall remain the key growth driver.

ACIL secured an EPC project in May 2024 pertaining to construction and development of India Jewellery Park at Navi Mumbai, which contributes 12% of the orderbook. India Jewellery Park is a special purpose vehicle (SPV) formed by Gems and Jewellery Council of India and is a crucial project for Ministry of Commerce. The order has not yet commenced but is expected to begin in Q1FY27. The company's biggest order pertaining to re-development of Chhatrapati Shivaji Maharaj Terminus (CSMT) at Mumbai, faced slow progress in FY25 due to design changes by the authorities. However, presently, the project is progressing at a satisfactory pace. Strong execution capabilities and adequate resources of ACIL are viewed favourably for execution of these large orders.

#### Satisfactory financial performance in FY25 and 9MFY26

The company's TOI continues to be healthy for FY25 with year-over-year (y-o-y) growth of 6%, while maintaining margin at ~8.21%. The revenue continued to grow in current fiscal, with a y-o-y growth of ~12% in 9MFY26 against 9MFY25. FY25 growth was moderated due to execution hurdles faced led by extended monsoons, union elections, project design changes in few key contracts, and NGT ban in NCR. Consequently, the overheads moderated the PBILDT margin also for FY25. With improved execution, profitability improved in 9MFY26 with PBILDT margin at 11% against 9% in 9MFY25 and profit after taxation (PAT) margin of 6% from 4% in 9MFY25. Due to low reliance on fund-based bank lines, despite moderation in profitability in FY25, the company's credit profile remained stable.

#### Comfortable financial risk profile

The company has a low reliance on external debts and exhibits healthy debt coverage ratios. The company's to TOL/TNW stood at 1.06x as on March 31, 2025, against 1.00x as on March 31, 2024. The company has a strong net worth base, and with sufficient cash accrual generation, reliance on external borrowings has been low with working capital requirements majorly funded from own sources and mobilisation advances, a large part of which is interest free. Thus, debt coverage metrics have been comfortable with total debt/PBILDT at 2.13x in FY25 (PY: 1.65x) and interest coverage at 5.98 in FY25 (PY: 8.01).

#### Experienced management and proven execution

ACIL is a professionally managed company, headed by Bikramjit Ahluwalia, who has over five decades of experience in the construction industry. He is assisted by a team of qualified executives, including Shobhit Uppal, Deputy Managing Director, and Vikas Ahluwalia, Whole time Director, who has significant experience in infrastructure space. In the past, the company successfully completed several projects ranging over construction of institutional buildings, corporate office complexes, multi-storied housing complexes, township development projects, hospitals, hotels, educational institutes, gymnasiums, and sport complexes among others.

### Key weaknesses

#### Working capital intensive operations

The company's operations are inherently working capital intensive given the nature of the building construction industry. GCA days stood at 210 days in FY25 (FY24: 205 days) and are expected to remain range-bound in the near term as large-ticket orders progress gradually. Collection days extended from 77 days in FY22 to 136 days in FY25 altering the working capital intensity over the years. Six-months debtors have been on the higher side at 60% of overall receivables. The company recovered pending receivables from Commonwealth games and there no sticky debtors in the books. However, elongated debtor days (included unbilled revenue) heightened working capital intensity.

The company meets its working capital requirements mainly through mobilisation advances and creditors, with low reliance on bank borrowings, as seen in average fund-based limit utilisation of 7% for 12 months ended September 2025. Working capital intensity is expected to persist, but low reliance on borrowings should support liquidity in the medium term.

### **Inherent cyclical trends associated with the construction sector**

The construction sector continues to witness cyclical trends consistent with its inherent nature, despite promising outlook for the sector in the long term. The sector has been marred by challenges in the last few years considering fragmented operations and intense competition in the industry. This apart, rising input prices also continue to be putting pressure on the margins of the EPC players as compensation for escalation passed is not always in tandem with the rising costs. ACIL segmentally has its scope limited to building construction sector unlike few large engineering, procurement, and construction (EPC) players. CareEdge Ratings continues to monitor the inherent cyclical trends associated with the civil construction sector and the profitability parameters that are crucial for ACIL's ratings in the future.

### **Liquidity: Strong**

The company's liquidity position remained strong with an unencumbered cash and bank balance of ₹840 crore as on January 31, 2026. Average fund-based working capital utilisation was low at 7% for 12 months ended February 2026. The company has negligible long-term debt repayment obligations compared to cash accruals of ₹266 crore reported in FY25 and ₹253 crore reported for 9MFY26.

### **Assumptions/Covenants: Not applicable**

### **Environment, social, and governance (ESG) risks**

ESG factors affecting the sector are environmental aspects, such as material selection, water consumption, method of construction, waste management; social aspects such as workmen safety, community impact and accessibility and governance aspects such as stakeholder engagement, supply chain management and business ethics.

CareEdge Ratings expects ACIL's commitment to ESG will support its credit profile. Highlights of the impact of the company's key ESG initiatives are as follows:

#### Environment:

- Implemented ISO 14001:2015 environmental management and ISO 45001:2018 occupational health and safety systems.
- Conducted mandatory EHS training for all workers and employees, covering safety, disaster preparedness, and environmental practices.
- Allocated 73.9% of R&D and capex toward environmental and social improvements.

#### Social:

- Maintains a formal policy for protection of women at the workplace, including POSH training.
- Committed CSR initiatives under Section 135 of Companies Act, focusing on education, sanitation, and community development.

#### Governance:

- Board comprises four independent directors and has a Risk and Sustainability Committee for ESG oversight.
- Established ISO 27001-certified information systems and strong internal controls.
- Whistleblower and anti-corruption policies in place; zero grievances reported in FY25.

### **Applicable criteria**

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

Incorporated on June 02, 1979, ACIL is promoted by Bikramjit Ahluwalia, CMD, a civil engineer by profession with over five decades of experience in the construction industry. A listed company with a pan-India presence, ACIL is engaged in civil construction and execution of turnkey projects. It is actively engaged in constructing institutional and industrial buildings, corporate office complexes, multi-storied housing complexes, township development projects, hospitals, medical colleges, hotels, educational and technical institutes, schools, and gymnasiums, and sports complexes.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	3,848.89	4,092.63	3242.90
PBILDT*	382.14	335.80	356.94
Profit after tax (PAT)	375.55	201.51	184.18
Overall gearing (x)	0.07	0.04	NA
Interest coverage (x)	8.01	5.98	9.35

A: Audited UA: Unaudited NA: Not Available; 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 Limits	-	-	-	-	186.00	CARE AA-; Stable
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	2954.00	CARE AA-; Stable / CARE A1+

**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 - LT-Working Capital Limits	LT	186.00	CARE AA-; Stable	1)CARE AA-; Stable (06-Jan-25) 2)CARE AA-; Stable (30-Dec-25)	1)CARE AA-; Stable (06-Jan-25) 2)CARE AA-; Stable (05-Apr-24)	1)CARE AA-; Stable (24-Aug-23)	1)CARE AA-; Stable (15-Dec-22)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	2954.00	CARE AA-; Stable / CARE A1+	1)CARE AA-; Stable / CARE A1+ (06-Jan-25) 2)CARE AA-; Stable / CARE A1+ (30-Dec-25)	1)CARE AA-; Stable / CARE A1+ (06-Jan-25) 2)CARE AA-; Stable / CARE A1+ (05-Apr-24)	1)CARE AA-; Stable / CARE A1+ (24-Aug-23)	1)CARE AA-; Stable / CARE A1+ (15-Dec-22)

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 Limits	Simple
2	Non-fund-based - LT/ ST-BG/LC	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.

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