

Angelique International Limited

March 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	45.00	CARE BBB-; Stable	Downgraded from CARE BBB+; Stable
Long Term / Short-term bank facilities	1,055.00	CARE BBB-; Stable / CARE A3	Downgraded from CARE BBB+; Stable / CARE A2

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in Ratings assigned to bank facilities of Angelique International Limited (AIL) considers lower-than envisaged scale of operations, profitability and recovery in its gross current assets (GCA) in FY24 (refers to April 01 to March 31) and 9MFY25 (refers to April 01 to December 31) leading to deterioration in financial risk profile.

The decline in its scale of operations was due to slow execution in projects and delay in declaration of commencement date in some projects for reasons. Profit before interest, lease rentals, depreciation and taxation (PBILDT) margins declined significantly in FY24 and 9MFY25 considering lower fixed cost absorption provision of escalation in cost estimates, and higher freight cost. This led to steady decline in gross cash accruals from ₹33 crore in FY23 to ₹28 crore in FY24 and ₹14 crore in 9MFY25 (adjusting unrealised foreign exchange gain). GCA days remained elevated at 517 days in FY24 (FY23: 531 days). GCA days worsened in 9MFY25 marked by ~595 days amid declining scale of operations. Debt coverage indicators deteriorated in FY24 and 9MFY25 due to these reasons.

However, the company's capital structure remains stable reflected by total outside liabilities to tangible net worth (TOL/TNW) at 0.64x as on March 31, 2024, due to healthy net worth. Increase in funding requirement is met through receipt of interest free mobilisation advances and realisation of some sticky receivables. AIL has unutilised fund based working capital limits of ~₹10 crore and low-term debt as of December 28, 2025, aiding liquidity. The company also maintains adequate cash balances across site offices.

Ratings continue to derive strength from established track record in executing power projects globally, including in African countries, and healthy order book position. The order book is majorly dominated by overseas contract comprising 74% and balance 26% is domestically. Internationally, the order book is spread across sub-Saharan central and west African countries. However, AIL's nascent stage orderbook constitutes 80% the order book, which heightened project execution risk. AIL expects scaling up of operations in the near term due to commencement of execution for projects under nascent stage and realisation of stretched current assets. Going forward, scaling up of operations, improvement in profitability and realisation of stretched current assets in time bound manner is key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significantly scaling up operations, while improving PBILDT margins to 6.5% on a sustained basis.
- Significant realisation of receivables leading to improving GCA days on a sustained basis.

Negative factors

- Inability to scale up the operations as envisaged and improvement in PBILDT above 4%.
- Inability to improve the stretched current asset days leading to dilution in liquidity buffer.

Analytical approach: Standalone

CARE Ratings Limited (CARE Ratings) has factored standalone financials of AIL.

Outlook: Stable

The stable outlook reflects healthy order book and expected improvement in scale of operations and operating profit margins.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Healthy order book despite large proportion is under nascent stage

AIL's outstanding orderbook stands healthy at ₹1869 crore as of December 31, 2024, which translates to revenue visibility of 3.13x of operating income of FY24 (PY: 2.2x). This was due to the company's ability to secure new orders worth ~₹850 crore in 9MFY25 (FY24: ₹1050 crore) after upliftment of debarment from the World Bank in June 2022. Order book primarily comprises turnkey projects in power segment (generation, transmission, and distribution) and water segment. However, the order book is majorly dominated by overseas contract comprising 74% and balance 26% is domestically. Internationally, the order book is spread across sub-Saharan central and west African countries such as Burundi, Tchad, Congo, Cameroon and Zambia among others.

However, AIL's nascent stage orderbook constitutes 80% the order book, which heightened project execution risk. Of this 80%, ~50% of the order book is non-moving/slow-moving in nature due to change in scope, delay in receipt of design and regulatory approval. Balance are new orders awarded in the current fiscal, where work is yet to commence. However, as articulated by the management, work on majority non/slow-moving projects has been started revenue, which will be visible in Q4 and pace up next year onwards. Majority projects in the order book are funded by institutions such as EXIM Bank, World Bank, and European Investment Bank, among others, which minimises credit risk in the projects.

Experienced promoters and long track record of operations

AIL was established in 1986 and has established a presence in executing projects under engineering, procurement and construction (EPC) in sub-Saharan, central and west African countries such as Burundi, Tchad, Congo, Cameroon and Zambia, followed by India and Nepal. AIL specialises in executing projects in the power sector (generation, transmission and distribution), water infrastructure, and irrigation works. Promoters have rich experience in construction for over three decades with a proven track record of executing over 200 projects. This expertise has enabled the company build relationships with strong clientele.

Key weaknesses

Decline in scale of operations and operating margin

In FY24, the company achieved total operating income (TOI) of ₹598 crore registering de-growth of ~7%, which was in line with that envisaged earlier. Decline in FY24 was primarily due to moderate order inflows in FY23 and slow project execution of orders in hand. In 9MFY25, the company achieved TOI of ₹295 crore due to continued slow execution of the projects and delay in declaration of commencement date in some of the awarded projects.

Operating margins marked by PBILDT margin has moderated to 4.85% in FY24 from 6.45% in FY23 primarily due to lower fixed absorption, provision of escalation in cost estimates in Q4FY24 and higher freight cost. In 9MFY25, the PBILDT margins turned negative with -0.30%. This led to steady decline in gross cash accruals from ₹33 crore in FY23 to ₹28 crore in FY24 and ₹14 crore in 9MFY25 (adjusting unrealised foreign exchange gain). Going forward, scaling up of operations, improvement in profitability and realisation of stretched current assets in time bound manner is key rating monitorable.

Deterioration in debt coverage indicators despite lower leverage

Due to moderation in PBILDT margins, debt coverage indicators have deteriorated marked by adjusted debt (excluding mobilisation advances) / PBILDT to 3.92x as on March 31, 2024 (FY23: 2.84x). Interest coverage declines to 1.16x for FY24 and below unity for 9MFY25 against 1.93x for FY23 due to moderation in PBILDT.

However, the company's capital structure remains stable reflected by overall gearing and TOL/TNW at 0.64x as on March 31, 2024, due to healthy net worth base. Low term debt is attributed to the company executing majority projects across different regions of African countries using equipment on hire and purchase, keeping the asset base low.

Working capital intensive operations

The company's capital-intensive operations remain elevated reflected in its high GCA days marked by 517 days in FY24 (FY23: 531 days). This is primarily due to high collection days rangebound at ~350 days in the last three years. However, the GCA days and collection days worsened in 9MFY25 marked by ~595 days and ~400 days respectively amid declining scale of operations.

High levels of debtors are due to delay in realisation long-standing (last three years) sticky receivables of ~₹158 crore from the hydro project in Congo and the Salma Dam project in Afghanistan.

However, as articulated by the management, in February 2025, AIL has realised ₹44 crore from the Congo hydro project receivables, and another ~₹60 is expected for realisation by June 2025. Going forward, management has articulated faster realisation in receivables to improve performance. Hence, further delays in realisation of receivables, impacting liquidity would be a key rating sensitivity.

Liquidity: Stretched

The liquidity is stretched marked by working capital intensive operations and rising debtor days. Debtor days remained at elevated at ~350 days for three years ending FY24 and further elevated to ~400 days in 9MFY25. To cover negligible repayment obligation of ~₹2 crore for financial year FY25. High levels of debtors are due to delay in realisation long-standing (last three years) sticky receivables of ~₹158 crore from the hydro project in Congo and the Salma Dam project in Afghanistan. However, realisation of ₹44 crore from the sticky receivables in February 2025 is expected to aid liquidity.

Apart from this, the company had unencumbered cash & bank balance of ₹77 crore as on March 31, 2024, and ₹45 crore as on December 31, 2024. The company primarily relies on mobilisation advance and access to working capital limit in the form of fund-based limit, which has an average utilisation of ~56% for 12-months ending January 2025, providing extra cushion to the company.

Assumptions/Covenants

Not applicable

Environment, social, and governance (ESG) risks

Not applicable

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction](#)

[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 in 1996, AIL is an EPC company undertaking turnkey projects in power, water, irrigation, and agriculture sectors and industrial projects in Africa, the Middle East, South and Southeast Asia. The company has a proven track record of over 200 completed projects/ contracts. Projects are executed using multilateral funding, bilateral credits from Government to Government routed through EXIM Bank of India, supplier's credit, and buyer's own funds. The company sets up projects on turnkey basis, which includes feasibility studies, design, engineering, procurement, supply, civil construction, installation, training, and trial runs. The company is domiciled in India and has its registered office in New Delhi. It also has a large network of overseas offices across geographical regions spread across Africa, Southeast Asia, South Asian Association for Regional Cooperation (SAARC), the Middle East, Latin America and the Caribbean region. It has projects in power, and a small segment of water-related projects. AIL is recognised as an ISO 9001:2015; ISO 14001:2015; EMS & OHSAS 18001:2007 certified company.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	648	598	296
PBILDT	42	29	-1
PAT	22	11	3
Overall gearing (times)	0.44	0.32	NA
Interest coverage (times)	1.93	1.16	NM

A: Audited UA: Unaudited; Na: Not available NM: Not meaningful 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 - LT-Cash Credit	-	-	-	-	45.00	CARE BBB-; Stable
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	1055.00	CARE BBB-; Stable / CARE A3

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	45.00	CARE BBB-; Stable	1)CARE BBB+; Stable (24-Apr-24)	-	-	-
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	1055.00	CARE BBB-; Stable / CARE A3	1)CARE BBB+; Stable / CARE A2 (24-Apr-24)	-	-	-

LT: Long 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-Cash Credit	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: 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 for clarifications.

Contact us

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About us:

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