



Press Release
AON CONSULTING PRIVATE LIMITED
June 18, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	-	ACUITE A2+ Upgraded
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has upgraded the short-term rating to '**ACUITE A2+**' (read as **ACUITE A two plus**) from '**ACUITE A2**' (read as **ACUITE A two**) on the Rs. 100.00 Crore bank facilities of Aon Consulting Private Limited (ACPL).

Rationale for upgrade

The rating upgrade takes into account the y-o-y growth in the revenue of the company which stood at Rs.770.06 Cr. in FY2024 and is estimated at Rs.886.43 Cr. in FY2025. The growth is derived from increase in revenue from business process and technology outsourcing services for sister concerns of the group along with HR consultancy services. The financial risk profile of the company is marked by healthy net worth and healthy debt protection metrics. Further, liquidity position is strong reflected by sufficient net cash accruals against maturing lease liabilities along with unencumbered fixed deposits and mutual fund investments. The rating also factors in the long track record of operations, experienced management and company's shared brand name with the parent entity Aon PLC. However the rating is constrained by foreign exchange risk as the major revenue stream of ACPL emanates from the technical support and business process outsourcing services provided to its group affiliates overseas therefore the company is exposed to the risk of losses on account of currency fluctuations and geographical concentration of revenues wherein in FY2024 nearly 50 percent was generated by the services provided to USA based group entities.

About the Company

Incorporated in 2008, Aon Consulting Private Limited (ACPL) is the Indian arm of the Aon group which is spread across 120 countries in the field of insurance and reinsurance, HR consultancy and others. The company is registered in Delhi and generates its revenues via two lines of business viz. human resources consultancy services in the domestic markets as well as providing technical support to the group companies overseas. It's Holding company is Aon Mauritius Holdings and ultimate holding company is Aon PLC. It is being managed by Mr. Arun Charles Dias, Mr. Rahul Kedia and Mr. Nitin Sethi.

Unsupported Rating

ACUITE A2

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of Aon Consulting Private Limited while factoring in the support from the group entities and their strong brand presence.

Key Rating Drivers

Strengths

Strong brand presence and Long track record of operations

ACPL is a part of Aon group which is one of the biggest players in Commercial Risk, Reinsurance and consultancy industry with an expanding reach of branches in 120 countries across the globe. The Aon group has had a long

presence of nearly four decades in the industry catering to clients within numerous domains. The overall consolidated turnover of the group stood at \$15.69 billion in 2024 as against \$13.37 billion in 2023. The long track record of operations and the business diversification of the group geographically as well as in various segments has allowed them to cater to a number of reputed names like Amazon, Walmart, AT & T, Tata Consultancy limited and Infosys to name a few. ACPL is engaged in consulting along with technology outsourcing work and has had a long track record of operations of more than 15 years. Further, the revenues of ACPL are majorly generated by the tech support work undertaken by the entity for its group affiliates thus the company

performance is directly proportional to the group entities performances. The brand name of Aon has benefitted their Indian arm ACPL in engaging with many big players in the domestic markets for the human resources consulting business such as Wipro Limited, Cognizant Technology Solutions India Private Limited, Unisys Private Limited to name a few.

Strong Financial Risk Profile

The financial risk profile of the company is marked by healthy net worth and healthy debt protection metrics. The tangible net-worth stood at Rs.282.81 Crore as on 31st March 2024 as against Rs.274.86 Crore as on 31st March 2023. The increase in the net-worth is on an account of accretion of profits into reserves. The company has no dependence on external debt as the total debt of Rs.59.60 Cr. as on 31st March 2024 as against Rs.58.66 Cr. as on 31st March 2023 consists of lease liability that the company is paying for the offices they are operating in. The capital structure of the company is marked by gearing ratio which stood below unity at 0.21 times as on 31st March 2024 and 31st March 2023. Further, the coverage indicators of the company are reflected by interest coverage ratio and debt service coverage ratio which stood at 23.87 times and 7.37 times respectively as on 31st March 2024. The TOL/TNW ratio of the company stood at 0.84 times as on 31st March 2024 against 0.76 times as on 31st March 2023 and DEBT-EBITDA of the company stood at 0.34 times as on 31st March 2024 against 0.37 times as on 31st March 2023. The yearly capital expenditure plans of the company are managed from internal accruals. Acuité believes that going forward the financial risk profile of the company is expected to remain stable with no debt funded capex plans.

Weaknesses

Foreign exchange risk and geographical concentration of revenues

The major revenue stream of ACPL emanates from the technical support and business process outsourcing services provided by the company to its group affiliates overseas which contributed to around 77 percent of the total revenue in FY2024 as well as FY2025 (E), therefore the company is exposed to the risk of losses on account of currency fluctuations which can arise from the volatility in the geopolitical situations, trade barriers and the advent of global recession led by risk aversions in response to interest hikes by central banks, thus it is imperative that the company uses hedging mechanisms in order to safeguard their earnings in various markets. Acuité also takes note of the fact that out of the total revenues of Rs.770.06 crores in FY2024 around 50 percent was generated by the services provided to USA based group entities therefore there is a high geographical concentration of revenues. This revenue stream can be impacted heavily in case of any major changes in the taxation laws in the USA or any instability in the international relationships.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the “CE” suffix)

Acuite takes into consideration the benefit derived by Aon Consulting Private Limited from the support of Aon Group and its strong brand presence.

Stress Case Scenario

While the rating has been derived on the standalone business and financial risk profiles of ACPL, Acuite believes that being the 100% step-down subsidiary of Aon PLC, in case of any stress case scenario, the required support would come from the parent entity.

Rating Sensitivities

- Sustenance of the profitability margins while scaling up of operations.
- Working capital operations

Liquidity Position

Strong

The liquidity profile of the company is strong on account of strong net cash accruals and unencumbered fixed deposits and mutual fund investments. The net cash accruals of the company stood at Rs.131.45 Cr. as against maturing lease liability obligations of Rs.11.52 Cr. over the same period. Going forward, the company is expected to generate net cash accruals under the range of Rs.120 to Rs.190 Crore in against its lease liability obligations over the same period. Further, the non fund based working capital limits stood utilized at 64.60% ending February, 2025 and the investments and cash & bank balance of the company are unencumbered which stood at Rs.73.26 Cr. and Rs.3.31 Cr. respectively as on 31st March 2024. The current ratio of the company stood at 1.63 times as on 31st March 2024 against 1.54 times as on 31st March 2023.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	770.06	635.60
PAT	Rs. Cr.	93.96	85.19
PAT Margin	(%)	12.20	13.40
Total Debt/Tangible Net Worth	Times	0.21	0.21
PBDIT/Interest	Times	23.87	24.82

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Mar 2024	Bank Guarantee (BLR)	Short Term	100.00	ACUITE A2 (Upgraded from ACUITE A3+)
22 Dec 2022	Bank Guarantee (BLR)	Short Term	100.00	ACUITE A3+ (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
CITI Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	100.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr No.	Company Name
1	Aon PLC
2	Aon Consulting Private Limited

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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