



Press Release
A K CONSTRUCTION COMPANY
November 26, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE BBB+ Stable Reaffirmed	-
Bank Loan Ratings	125.00	-	ACUITE A2 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	175.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and the short-term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs. 175.00 Cr. bank facilities of A K Construction Company (AKCC). The outlook remains '**Stable**'.

Rationale for rating

The rating reaffirmation reflects stable business risk profile with improvement in operations to Rs. 1239.30 Cr. in FY25 against Rs. 987.39 Cr. in FY24. Additional positive factors include an experienced management team and a healthy financial risk profile. The rating also considers the group's adequate liquidity position, which is reflected in its sufficient net cash accruals to meet debt obligations. However, the rating is constrained due to the current order book of Rs. ~1245.55 Crore as of 31st Oct 2025 provides moderate revenue visibility over the medium term with an OB/OI of 1.01 times.

About the Company

Established in 1998, A K Construction Company (AKCC) is a partnership firm managed by Mr. Awadesh Kumar Pathak, Mr. Suresh Kumar Pathak and Mr. Ramesh Kumar Pathak. The firm is based in Uttar Pradesh and is engaged in civil construction works and undertakes contracts for constructing roads, bridges, government buildings for the government departments namely, Public Works Department (PWD), PMGSY and some PSU's. AKCC is registered as a Class A contractor with PWD, UP Irrigation Department, UP Power Corporation, to name a few.

About the Group

The group consists of two companies namely, A K Infraprojects Private Limited (AKIPPL) a private limited company which was incorporated in 2008 and a sister concern A K Construction Company (AKCC). AKIPPL is promoted by Mr. Awadesh Kumar Pathak, Mr. Suresh Kumar Pathak and Mr. Ramesh Kumar Pathak along with a set of skilled professionals. The company undertakes building and electrification works for the government entities in Uttar Pradesh. Established in 1998, A K Construction Company (AKCC) is a partnership firm managed by Mr. Awadesh Kumar Pathak, Mr. Suresh Kumar Pathak and Mr. Ramesh Kumar Pathak. The firm is based in Uttar Pradesh and is engaged in civil construction works and undertakes contracts for constructing roads, bridges, government buildings.

Unsupported Rating
Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

For arriving at this rating, Acuité has consolidated the business and financial risk profiles of A K Construction Company (AKCC) and A K Infraprojects Private Limited (AKIPPL) together referred to as the 'A K Group' (AKG). The consolidation is in the view of common management, strong operational linkages between the entities and a similar line of business.

Key Rating Drivers

Strengths

Long-standing operations and experienced management

AK Group has established a long presence of around three decades in the civil construction industry and has developed a strong clientele base comprising government departments, National Highways & Infrastructure Development Corporation Ltd., Indian Oil Corporation Limited (IOCL), and Bharat Heavy Electrical Limited, to name a few. The group is managed by Mr. Awadesh Kumar Pathak, who has more than two decades of experience, and is supported by the decade-long expertise of Mr. Suresh Kumar Pathak and Mr. Ramesh Kumar Pathak. Acuité believes that going forward, the growth of the group will be aided by the long track record of operations and the management's strong understanding of market dynamics.

Improvement in scale of operations

The group witnessed an improvement in its scale of operations marked by an operating income of Rs. 1239.39 Cr. in FY2025 as against Rs. 987.39 Cr in FY2024. Further, A K Group has unexecuted order book position to the tune of Rs. 1245.55 Crore approximately as on 31st October 2025. with an OB/OI of 1.01 times, which provides it moderate revenue visibility over the medium term. Going forward, the ability of the group to bag new orders and timely execution of the existing orders will remain a key rating monitorable. The EBITDA margin of the group stood at 4.70 per cent in FY2025 as against 4.82 per cent in FY2024 and the PAT margin of the group stood at 3.69 per cent in FY2025 against 3.62 per cent in FY2024. Though the group's profitability is exposed to volatility in raw material, it has an in-built price escalation clause for major raw materials in most of its contracts. Acuité believes that going forward the group's ability to ramp up operations along with stable profitability will remain a key monitorable.

Healthy Financial Risk Profile

The financial risk profile of the group is healthy marked by net-worth of Rs. 181.52 Crore as on 31st March 2025 against Rs. 134.03 Crore as on 31st March 2024. Further, the total debt of the group stood at Rs. 69.92 Crore as on 31st March 2025 against Rs. 75.04 Crore as on 31st March 2024. The capital structure of the group is comfortable marked by the gearing ratio of the group which stood at 0.39 times as on 31st March 2025 against 0.56 times as on 31st March 2024. Further, the coverage indicators of the group improved reflected by interest coverage ratio and debt service coverage ratio of the group which stood at 5.71 times and 4.97 times respectively as on 31st March 2025 against 4.64 times and 4.06 times respectively as on 31st March 2024. The TOL/TNW ratio of the group stood at 0.65 times as on 31st March 2025 against 0.87 times as on 31st March 2024 and DEBT-EBITDA of the group stood at 1.16 times as on 31st March 2025 against 1.52 times as on 31st March 2024. Acuité believes that going forward the financial risk profile of the group will remain healthy with no major debt funded capex plans.

Efficient working capital operations

The working capital operations of the group are efficiently marked by GCA days which stood at 54 days as on 31st March 2025 against 60 days as on 31st March 2024. There is an improvement in the GCA days due to the debtor days of the group which stood at 46 days in FY25 against 53 days in FY24 and inventory days of the group stood nil in FY25 against 1 day in

FY24. However, creditor days of the group stood at 35 days in FY25 against 20 days in FY24. Acuité believes that the working capital operations of the group will remain in the same range over the medium term.

Weaknesses

Highly competitive industry marked by tender based nature of business

The group's performance is susceptible to the tender based nature of business, where the business depends on the ability to bid for contracts successfully. Risk become more pronounced as tendering is based on minimum amount of bidding of contracts.

Rating Sensitivities

- Movement in scale of operations
- Movement in working capital operations

Liquidity Position

Adequate

The liquidity profile of the group is adequate. The net cash accruals of group stood at Rs. 46.78 Cr. in FY 25 against the debt obligation of Rs. 1.00 Cr. for the same period. The group has cash & bank position of Rs. 14.59 Cr. and current ratio stood at 1.74 times for FY 25. The average fund based bank limit utilization is at 89.73% and non-fund based bank limit utilization is at 65.63% for the 5 months' period ending October 2025. Acuite believes that the group will continue to enjoy adequate liquidity at the back of healthy cash accruals with minimal debt repayments and the absence of debt-funded capex plans over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	1239.30	987.39
PAT	Rs. Cr.	45.76	35.77
PAT Margin	(%)	3.69	3.62
Total Debt/Tangible Net Worth	Times	0.39	0.56
PBDIT/Interest	Times	5.71	4.64

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

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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. Acuite'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
28 Aug 2024	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Proposed Bank Guarantee	Short Term	50.00	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Cash Credit	Long Term	8.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	12.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Proposed Cash Credit	Long Term	25.00	ACUITE BBB+ Stable (Assigned)
	Proposed Term Loan	Long Term	5.00	ACUITE BBB+ Stable (Assigned)
20 Jun 2023	Bank Guarantee (BLR)	Short Term	3.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	34.50	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	2.50	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Cash Credit	Long Term	8.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	12.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
30 May 2022	Bank Guarantee (BLR)	Short Term	3.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	29.50	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	40.00	ACUITE A3 (Assigned)
	Proposed Cash Credit	Long Term	12.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	75.00	Simple	ACUITE A2 Reaffirmed
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A2 Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE BBB+ Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	24.00	Simple	ACUITE BBB+ Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE BBB+ Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+ Stable Reaffirmed

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

Sr.No.	Company Name
1	A K Construction Company
2	A K InfraProjects Private Limited

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About Acuité Ratings & Research

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