



Press Release
AFCOM HOLDINGS LIMITED
January 08, 2026
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Issuer Rating (IR)	0.00	ACUITE BBB+ Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term issuer rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) for Afcom Holdings Limited (AHL). The outlook is '**Stable**'.

Rationale for rating assigned:

The rating assigned considers Afcom Holdings Limited's (AHLs) strong growth in operating performance, healthy financial risk profile supported through equity raise, and improving market position in Indian air cargo industry. The rating draws comfort from the company's expanding freighter fleet and extensive experience of the promoter in aviation and cargo operations. These strengths are partially offset by the company's moderately intensive working capital operations, exposure to regulatory risks inherent in the aviation sector and dependence on sustained cargo demand and route profitability.

About the Company

Chennai based, Afcom Holdings Limited (AHL), incorporated in 2013, is an India-based international cargo airline specializing in airport-to-airport carriage of air cargo using its own fleet of freighter aircraft. The company provides a range of cargo solutions including general cargo, high-value shipments, perishables, pharmaceuticals, express and specialised cargo requiring exceptional handling across domestic and international routes, with focus on Southeast Asian markets. AHL primarily serves customers through freight forwarders, cargo network partners, and logistics platforms facilitating cargo movement between origin and destination airports. The board of directors comprises Capt. Deepak Parasuraman, Mr. Kannan Ramakrishnan, Wg. Cdr. Jaganmohan Manthena, Mr. Srinivasan Natarajan, Dr. Lalit Gupta, Ms. Rashmi Pritviraj, Mr. Sudhir Deoras and Ms. Arundhati Mech.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered standalone business and financial risk profiles of Afcom Holdings Limited while arriving at the rating.

Strengths

Experienced management:

AHL benefits from the extensive experience of its promoter, Capt. Deepak Parasuraman, who has over two decades of experience in the aviation and air-cargo industry. His experience in cargo flight operations, aviation safety norms, regulatory processes and international cargo handling practices strengthens the company's operational capabilities. The promoter is supported by a second line of able leadership comprising senior professionals with expertise in the airline operations, engineering, flight safety, commercial cargo management and regulatory compliance. Acuite notes that the management's technical knowledge is expected to support operational stability, particularly during ongoing fleet expansion phase.

Robust growth in operating performance, supported by expanding fleet capacity:

AHLs operating income has grown significantly in FY2025 to Rs.238.72 Cr, almost by ~62 percent on Rs.147.54 Cr. registered in FY2024 and Rs.84.14 Cr. registered in FY2023. This growth in revenue is primarily driven by deployment of two dry-leased aircrafts and expansion of its operations in to domestic and ASEAN markets. Additionally, during the H1FY2026 the company-registered revenue of Rs.240.29 Cr. against the revenue of Rs.88.76 Cr. registered during H1FY2025 and estimated to end the current year with the revenue of Rs.490-510 Cr. The current year revenue growth is driven by full operation of the two-air craft and further capacity addition with third air craft from Q4FY2026. Also, going forward the company proposes to add fleet of another four aircrafts in near term which shall further support growth in the operating revenues.

The operating profit also improved to Rs.67.46 Cr. in FY2025 from Rs.36.19 Cr. in FY2024 and Rs.18.96 Cr. in FY2023 while margins improving to 28.26 percent in FY2025 from 24.53 percent in FY2024 and 22.53 percent in FY2023, owing to better operating efficiency. PAT margin improved to 20.28 percent in FY2025 from 17.24 percent in FY2024 and 16.28 percent in FY2023. Additionally, during the H1FY2026 the company registered EBITDA margin of ~31 percent and PAT margin of ~23 percent. Acuite believes, AHL's operating performance will improve over the medium term owing to the expansion in fleet capacity, while operating profit margins are expected to improve marginally.

Healthy financial risk profile:

AHLs financial risk profile is healthy marked by healthy network, low gearing and healthy debt protection metrics. The net worth stood at Rs.220.37 Cr. as on March 31, 2025 compared to Rs.103.25 Cr. as on March 31, 2024 and Rs.73.34 Cr. as on March 31, 2023. The improvement in network is due to accretion of profits and raising of equity of Rs.73.84 Cr. through initial public offer in August, 2024. Further, company raised another Rs.104.48 Cr. in December 2025, towards the addition of four fleets, which would onboarded in FY2027. The total debt level of the company (comprising Rs.25.94 Cr. of long-term debt and current maturities of long-term debt of Rs.0.12 Cr.) stood low at Rs.26.05 Cr. as on March 31, 2025. Therefore, the gearing level and total outside liabilities to tangible network (TOL/TNW) stood healthy at 0.12 times and 0.25 times, respectively as on March 31, 2025. The debt protection metrics also stood healthy with interest coverage ratio (ICR) and debt service coverage (DSCR) of 20.75 times and 15.50 times respectively as on March 31, 2025. Acuite believes, the financial risk profile of the company will remain healthy because of healthy net worth position and absence of debt funded capex plans.

Weaknesses

Moderately intensive working capital operations:

The working capital operations of AHL are moderately intensive as reflected by the gross current asset (GCA) of 156 days in FY2025, improved from 171 days in FY2024 and 282 days in FY2023. The operating cycle is mainly driven by the high receivables days around 95 days in FY2025 against 56 days in FY2024 and 62 days in FY2023. The inventory days, remained at 34 days in FY2025 against 51 days in FY2024 and 52 days in FY2023, consistent with the asset-light nature of cargo handling operations. The payables largely comprise dues payable to operational vendors such as airport handling agents, ground support service providers and other third-party logistics partners which are usually met with in 30-40 days. The fund based

working capital limits were utilized at an average of ~96 percent over the past 12 months ending September 2025. Acuite believes AHLs working capital operations to remain moderately intensive, given the inherent nature of the industry.

Dependence on sustained cargo demand and route profitability:

AHLs performance remains inherently dependent on sustained cargo demand and the profitability of its deployed routes. The economics of freighter operations are highly sensitive to load factors, network optimization and yield dynamics on specific lanes. Any weakening in demand on key sectors, emergence of competing capacity or adverse shifts in trade flows can reduce route-level profitability and impact aircraft utilization. As the company undertakes fleet expansion and adds new routes, maintaining consistently profitability will be critical and prolonged underperformance on select lanes may exert pressure on overall operating margins and cash flows.

Exposure to aviation-related regulatory risks

AHL remains exposed to regulatory risks inherent in the aviation and air-cargo sector, including compliance with Directorate General of Civil Aviation (DGCA) norms, airport-operator requirements and evolving safety standards. Any tightening of regulatory frameworks or delays in approvals for fleet induction or route permissions could impact its operations and cost structure.

Rating Sensitivities

- Sustained growth in operating performance with timely addition of fleets
- Deterioration of financial risk profile.
- Significant stretch in the working capital intensity.

Liquidity position

Adequate

The company registered net cash accruals (NCAs) of Rs.48.99 Cr. as on March 31, 2025 against the repayment obligations of Rs.0.05 Cr. Further, the company is expected to register NCAs in the range of Rs.135-150 Cr. over the medium term against the repayment obligations of Rs.0.12 Cr-Rs.0.05 Cr. for the same period. The working capital operations are moderately intensive with GCA of 156 days in FY2025, healthy current ratio of 1.97 times as on March 31, 2025. The fund based working capital limits were highly utilized at an average of ~96 percent over the past 12 months ending September 2025. The company has low unencumbered cash and bank balances of Rs.0.09 Cr. as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	238.72	147.55
PAT	Rs. Cr.	48.42	25.44
PAT Margin	(%)	20.28	17.24
Total Debt/Tangible Net Worth	Times	0.12	0.18
PBDIT/Interest	Times	20.75	18.41

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

None

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>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite 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 :

Not applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Issuer Rating	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.00	Simple	ACUITE BBB+ Stable Assigned

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About Acuité Ratings & Research

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