

Patel Concretech Private Limited

April 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	138.00	CARE BBB; Stable	Assigned
Long-term / Short-term bank facilities	25.00	CARE BBB; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of Patel Concretech Private Limited (PCPL) factors in parentage of Patel Infrastructure Limited (PIL), with PCPL being a wholly owned subsidiary of PIL and expected to have operational linkages with PIL upon commencement of operations. PCPL shall act as a backward integration to serve the building projects of PIL in the vicinity, having a better control over the quality, cost and time.

The rating also factors in favourable demand outlook for precast concrete components, driven by the Government of India's (GoI) thrust on infrastructure development, and the proposed creation of a debt service reserve account (DSRA) equivalent to one-quarter of debt servicing obligations. CARE Ratings Limited (CareEdge Ratings) also takes cognisance of irrevocable and enforceable corporate guarantee extended by PIL, which is available until the final settlement date.

However, rating strengths are constrained by inherent project implementation and stabilisation risks associated with timely completion of the ongoing project, and exposure to interest rate risk. These risks are expected to moderate in the medium term, supported by parental support and stabilisation of operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely completion of the project within envisaged cost parameters.
- Achievement of envisaged scale of operations and profitability while maintaining the envisaged capital structure.

Negative factors

- Significant delay in project completion beyond stipulated timelines
- Non-adherence to sanctioned terms or delay in receipt of support from PIL.
- Significant deterioration in the credit profile of PIL.

Analytical approach: Standalone factoring in parentage of the sponsor, PIL

Outlook: Stable

The stable outlook reflects CareEdge Ratings expectation that PCPL shall benefit from the parentage of PIL with operational linkages, ensuring revenue visibility going forward due to partial captive consumption by PIL.

Detailed description of key rating drivers:

Key strengths

Parentage of PIL

PCPL is a wholly owned subsidiary of PIL, a Gujarat-based limited company engaged in construction of roads, bridges, and building/office complexes on an engineering, procurement and construction (EPC) basis. In addition to EPC projects, PIL also undertakes road projects under the build-operate-transfer (BOT) model. As on date, PIL has a portfolio of three BOT projects, comprising two operational National Highways Authority of India (NHAI; rated CARE AAA; Stable) hybrid annuity model (HAM) projects and one operational annuity project awarded by the Government of Gujarat (GoG). PIL is accredited as an "AA class" contractor (highest in the scale of AA to E) by the Roads and Buildings (R&B) Department, GoG, for execution of roads, flyovers, bridges, and buildings.

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

The strong parentage ensures availability of need-based financial support to PCPL, providing significant comfort from a credit perspective. PIL has extended an irrevocable and enforceable corporate guarantee to fund shortfall in PCPL's debt servicing obligations, which is expected to continue in the medium term.

Strategic operational linkages with promoters

As a wholly owned subsidiary of PIL, PCPL acts as a backward integration arm for timely supply of precast concrete components while ensuring required quality standards. Thereby, a significant portion of PCPL's production capacity is envisaged to be utilised for captive consumption by PIL, supporting stable capacity utilisation. Operational linkages with PIL, which had an outstanding order book of ₹14,153 crore as on December 31, 2025, provide adequate medium-to-long-term revenue visibility to PCPL and are expected to support stable order inflows in the near-to-medium term.

Favourable capital structure

PCPL's capital structure is favourable, with a requirement to create and maintain a DSRA equivalent to three months of debt servicing (interest and principal) within six months from the date of commencement of commercial operations (DCCO). The availability of a six-month moratorium from achievement of DCCO is expected to support liquidity and debt servicing comfort in the initial period of operations.

Initiatives undertaken by GoI to improve prospects of the infrastructure sector

The company is engaged in manufacturing precast concrete components, which are widely used in roads, bridges, metro rail, and urban infrastructure projects. Accordingly, PCPL's growth prospects are closely linked to the pace of infrastructure development in India. The continued thrust by the GoI on infrastructure creation, supported by policy initiatives and higher budgetary allocations across highways, railways, and urban transport, is expected to drive demand for precast solutions over the medium term, given their advantages of faster execution, improved quality, and cost efficiency. This is expected to support PCPL's growth prospects.

Key weaknesses**Project implementation and stabilisation risk associated with on-going project**

PCPL is implementing a greenfield project for manufacturing precast concrete components, including structural elements such as walls, floors, columns, girders, beams, and staircases. The project achieved financial closure at ₹200.43 crore, to be funded through a term loan of ₹138 crore, equity share capital of ₹24.50 crore, and the balance through unsecured loans.

Till March 20, 2026, PCPL had incurred ₹81.74 crore towards the project. With ~59% of the project cost yet to be incurred, project implementation and stabilisation risks remain, especially given the greenfield nature of the project. PCPL's ability to complete the project within the envisaged timeline and achieve stable capacity utilisation in the near term will remain a key monitorable.

Interest rate risk

PCPL will remain exposed to interest rate risk during debt repayment period, owing to periodic interest rate resets by the lender. Accordingly, sharp increase in interest rates could adversely impact profitability and debt coverage indicators over the medium term.

Liquidity: Adequate

PCPL is envisaged to maintain adequate liquidity, supported by expected cash accruals of ₹9–10 crore in FY27 against term loan repayment obligations of ~₹7.10 crore in the same period. A DSRA, sufficient to cover one quarter of debt and interest obligations, is required to be created within six months from the receipt of DCCO.

PCPL has access to need-based support from its parent, PIL, which provides additional liquidity comfort during the stabilisation phase.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

- [Definition of Default](#)
- [Factoring Linkages Parent Sub JV Group](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Manufacturing Companies](#)
- [Financial Ratios – Non financial Sector](#)
- [Short Term Instruments](#)
- [Project Stage Entities](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Construction materials	Other construction materials	Other construction materials

Established in 2023, PCPL is a wholly owned subsidiary of PIL. PCPL's precast concrete manufacturing project is currently under construction, with a total estimated project cost of ₹200.42 crore. The project is being funded through a term loan of ₹138.00 crore, while the balance ₹62.42 crore is being contributed by the promoters in the form of equity and unsecured loans. The facility is designed with a total annual production capacity of ~22.50 lakh square feet of precast concrete components, including structural elements such as walls, floors, columns, girders, beams, and staircases. PCPL's formation is in line with PIL's backward integration strategy, aimed at catering to PIL's internal demand for precast concrete components while also addressing open market demand across Maharashtra, Gujarat, and Madhya Pradesh.

Brief financials: Not applicable as it is project stage entity

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/ ST-Cash Credit		-	-	-	25.00	CARE BBB; Stable / CARE A3
Fund-based-Long Term		-	-	30-09-2034	138.00	CARE BBB; Stable

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 2026-2027	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
1	Fund-based-Long Term	LT	138.00	CARE BBB; Stable				
2	Fund-based - LT/ ST-Cash Credit	LT/ST	25.00	CARE BBB; Stable / CARE A3				

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/ ST-Cash Credit	Simple
2	Fund-based-Long Term	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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