P.D. Agrawal Infrastructure Limited

July 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	275.00 (Reduced from 285.00)	CARE BBB+; Stable / CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.
The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

The ratings assigned to the bank facilities of P. D. Agrawal Infrastructure Limited (PDAIL) continue to derive strength from the extensive experience of its promoters, having an established track record of operations for over four decades in the construction industry. The ratings also factor in company's comfortable financial risk profile and adequate liquidity. The ratings take cognisance of moderation in PDAIL's order book and moderate revenue visibility over medium term, however, its strong execution capabilities supported by sizeable, owned fleet of construction equipment supports its business risk profile.
The above ratings strengths, are, partially offset by PDAIL's moderate scale of operations and profitability, high geographical and segmental concentration of its orderbook and susceptibility of its profitability to input price volatility. The ratings also consider the intensely competitive and fragmented nature of the construction industry, which exerts pressure on profitability. The ratings continue to factor PDAIL's investment in real estate segment through investments/ advances to group entities.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in its Total operating income (TOI) through geographical diversification along with improvement in revenue visibility while maintaining its Profit before interest, lease, depreciation and tax (PBILDT) margin above 12% on a sustained basis.

Negative factors

- Significant reduction in TOI owing to delay in execution of orders in hand and/or non-receipt of new orders and reduction in PBILDT margin below 8%.
- Below Unity orderbook to TOI ratio on sustained basis.
- Availment of higher than envisaged debt resulting in deterioration of overall gearing above 0.75x.
- Increase in working capital intensity due to increase in inventory and trade receivables period beyond 200 days.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that PDAIL will continue to derive benefit from its experienced promoters and well-established operational track record in the construction industry.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with established track record of operations

PDAIL is promoted by Mr. Prabu Dayal Agrawal, having vast experience of more than four decades in execution of small-mid size infrastructure construction projects mainly roads and highways. He is supported by second-generation promoter, Mr. Mahendra Agrawal, who looks after day-to-day operations and overall administration of the company. The promoters are ably supported by a team of experienced professionals in project planning, execution and other day to day business operations.

Comfortable financial risk profile

PDAIL continues to maintain a comfortable capital structure, marked by an overall gearing of 0.32x as on March 31, 2026 (Prov.) (0.52x as on March 31, 2025) supported by a healthy net worth of ₹247 crore against a total debt of ₹ 79 crore as on March 31,

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

2026 (Prov.). The improvement in gearing compared to the previous year is attributable to lower working capital debt and improved net worth during FY26.
Debt coverage indicators also stood moderate as marked by PBILDT interest coverage which stood at 3.25x in FY26 (2.95x in FY25;), and total debt to PBILDT of 2.84x in FY26 (FY25: 3.62x).

Moderation in the orderbook position albeit strong execution capabilities backed by sizeable own fleet of equipment
As on April 30,2026 PDAIL had an orderbook of ₹ 275 crore (₹ 639 crores as on April 30,2025), translating into order book to TOI of 0.84x (on base of FY26) (P.Y.: 1.90x of FY25 TOI). The order book has been impacted with no new award of orders in FY26. However, given company's bidding pipeline, the order book is expected to improve going forward.
Apart from the existing orderbook, PDAIL is also awarded one L1 order of ₹117 crore. CareEdge Ratings notes that counterparty credit risk is mitigated to a certain extent for PDAIL considering majority of the orders are from central/ state government department/undertakings.
Over the years, PDAIL has made significant investment in building its own fleet of equipment and machinery required for project execution. PDAIL's gross block of tangible assets remained at ₹309 crore as on FY26 end as compared to ₹239 crore as on FY20 end. PDAIL now owns a major portion of equipment/ machineries required for project execution, which helps PDAIL in timely execution of projects in hand.

Key weaknesses

Exposure towards the real estate ventures of the group entities
As on March 31, 2026, total investment of PDAIL in group entities stood at ~₹81 crore as against ~₹79 crore as on March 31,2025. Part of the above investment is towards the real-estate projects of the group. As articulated by the management, the same are envisaged to be recovered from the group concerns and no further additional investment in real estate ventures is expected to be made in near term.

Moderate scale of operations and profitability
Scale of operations of PDAIL remained moderate to ₹ 329.23 crore in FY26 (Prov.) (336.46 crore in FY25). For FY27, TOI is expected to moderate by ~7-9% over FY26. PDAIL's PBILDT margin remained moderate at 8.42% during FY26(Prov.) as against 9.80% during FY25 owing to higher raw material cost.
In line with the PBILDT margin trend, Profit after tax (PAT) margin also remained moderate at 5.03% in FY26 (Prov.), compared to 4.89% in FY25. The company reported gross cash accruals (GCA) of ₹ 24.78 crore in FY26 (Prov.), as against ₹ 23.60 crore in FY25.

Presence in intensely competitive and fragmented construction industry with exposure of profit margins to fluctuation in raw material prices
Around 95% of PDAIL's orderbook remains concentrated in Madhya Pradesh, which exposes its operation to any changes in government policies/ political upheavals in the state. Moreover, 47% of its orderbook remain concentrated among two road construction projects in Madhya Pradesh, wherein execution is delayed due to delay in site clearance issues and other pending requisite approvals, however execution on the said projects has now started.
PDAIL is a mid-sized EPC player operating in intensely competitive construction industry, wherein projects are awarded based on relevant experience of the bidder, financial capability and most attractive bid price.
The competitive intensity is on account of the presence of large number of contractors resulting in aggressive bidding which restricts the margins. However, thrust of the government on infrastructure development is expected to augur well for construction players such as PDAIL in the medium term. Considering execution period of contracts awarded to PDAIL ranges from 6-18 months, its profitability remains susceptible to fluctuations in the input prices. Nevertheless, presence of built in price escalation clause in majority of the workorders mitigates the input price fluctuation risk to an extent.

Liquidity: Adequate

PDAIL's liquidity remains adequate as marked by sufficient free cash and bank balance of ₹ 20.92 crore as on March 31,2026 (₹ 9.05 crore as on March 31,2025) and availability of sufficient cushion in form of envisaged GCA of around ₹ 23-29 crore during FY27-FY29 vis-à-vis repayment obligations of ₹ 4-12 crore (FY27-FY29) during the same period. The maximum utilisation of fund-based and non-fund based working capital limits remained at 92% and 68% respectively during trailing 12 months ended on April 30,2026, whereas the average utilization of the fund based working capital limits remained at 81% during the same period.
During FY26, PDAIL reported positive cash flow from operation (CFO) of ₹49.16 crore (P.Y.: ₹32.86 crore) backed by efficient collection from debtors and decrease in inventory levels. The operating cycle improved marginally from 169 days during FY25 to

155 days during FY26 mainly due to decrease in inventory holding period. Current ratio and quick ratio remained comfortable at 1.56x and 1.13x as on March 31,2026 (1.32x and 0.88x as on March 31,2025).

Assumptions/Covenants: None

Environment, social, and governance (ESG) risks: None

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Construction Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Incorporated in 2001, Indore-based PDAIL was promoted by Mr P. D. Agrawal to take over the existing business of partnership firm M/s P.D. Agrawal (was operational since 1978). PDAIL is engaged in construction of roads, bridges and other civil work majorly in Madhya Pradesh.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	336.46	329.32
PBILDT*	32.98	27.74
Profit after tax (PAT)	16.47	16.58
Overall gearing (x)	0.52	0.32
Interest coverage (x)	2.95	3.25

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: None

Any other information: None

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Cash Credit	-	-	-	-	15.00	CARE BBB+; Stable / CARE A2
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	-	-	-	-	90.00	CARE BBB+; Stable / CARE A2
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	170.00	CARE BBB+; Stable / CARE A2

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 - LT/ ST-Cash Credit	LT/ST	15.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (03-Jul-25)	1)CARE BBB+; Negative / CARE A2 (09-Sep-24) 2)CARE BBB+; Negative / CARE A2 (05-Apr-24)	1)CARE BBB+; Stable / CARE A2 (07-Jul-23)
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	90.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (03-Jul-25)	1)CARE BBB+; Negative / CARE A2 (09-Sep-24) 2)CARE BBB+; Negative / CARE A2 (05-Apr-24)	1)CARE BBB+; Stable / CARE A2 (07-Jul-23)
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	170.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (03-Jul-25)	1)CARE BBB+; Negative / CARE A2 (09-Sep-24) 2)CARE BBB+; Negative / CARE A2 (05-Apr-24)	1)CARE BBB+; Stable / CARE A2 (07-Jul-23)

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	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple

Sr. No.	Name of the Instrument	Complexity Level
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Kalpesh Ramanbhai Patel Director **CARE Ratings Limited** Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in Jignesh Trivedi Associate Director **CARE Ratings Limited** Phone: 079-40265631 E-mail: jignesh.trivedi@careedge.in Utsavi Jigneshbhai Shah Lead Analyst **CARE Ratings Limited** E-mail: Utsavi.Shah@careedge.in

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