

July 18, 2011

**CARE ASSIGNS 'CARE BBB-' AND 'CARE A3' RATINGS TO THE BANK FACILITIES OF P.D. AGRAWAL INFRASTRUCTURE LTD.**

***Ratings***

<b>Facilities</b>	<b>Amount (Rs. crore)</b>	<b>Rating<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	33.67	'CARE BBB-' (Triple B Minus)	Assigned
Short-term Bank Facilities	5.00	'CARE A3' (A Three)	Assigned
Long/Short-term Bank Facilities	35.00	'CARE BBB-'/ 'CARE A3' (Triple B Minus)/ (A Three)	Assigned
<b>Total</b>	<b>73.67</b>		

**Rating Rationale**

The ratings of P.D. Agrawal Infrastructure Limited (PDAIL) take into account the experience of its promoters, two operational toll road projects, modest order book position, lesser raw material price fluctuation risk on account of presence of price-escalation clause in majority of the projects on hand and the Government's focus on urban infrastructure & rural road network.

The ratings of PDAIL are, however, constrained by the small scale of its operations, geographically concentrated operations in the state of Madhya Pradesh, lower-than-envisaged toll collections of HT Tanda road, expected foray into the real estate sector, fragmented nature of the construction industry and increasing level of competition in the industry.

Increase in the scale of operations, growth in order book position and diversification into new revenue segments and geographies while maintaining profitability margins and capital structure would be the key rating sensitivities.

**Company Profile**

PDAIL, incorporated in 2001, is promoted by Mr P. D. Agrawal. PDAIL has taken over the existing business operations of a partnership concern M/s. P.D. Agrawal & Co. (formed by Mr Agrawal in 1978) on a going concern basis. PDAIL is primarily engaged in infrastructure development activities - mainly roads and bridges. PDAIL is registered as A-V (eligible to bid for a contract of any amount) class Government contractor in Madhya Pradesh (MP) Public Works Department, MP Water Resources Department, Narmada Valley Development Authority, Indore Development Authority and Indore Municipal Corporation.

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

During FY10, PDAIL has reported PAT of Rs.2.93 crore on total income of Rs.53.85 crore as against PAT of Rs.2.77 crore on total income of Rs.67.12 crore in FY09. During FY11 (provisional), PDAIL has reported a PAT of Rs.7.66 crore on total income of Rs.50.76 crore.

**Analyst Contact**

Name: Kalpesh Patel

Tel # 079-40265611

Mobile # +91 9909026322

Email: kalpesh.patel@careratings.com

***CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.***

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

**HEAD OFFICE: MUMBAI**

**Mr. D.R. Dogra**

Managing Director

Cell : +91-98204 16002

E-mail : [dr.dogra@careratings.com](mailto:dr.dogra@careratings.com)

**Mr. Rajesh Mokashi**

Dy. Managing Director

Cell : +91-98204 16001

E-mail: [rajesh.mokashi@careratings.com](mailto:rajesh.mokashi@careratings.com)

**Mr. P N Sathees Kumar**

Executive Vice President – Marketing

Mobile: +91-9820416004

mail:[sathees.kumar@careratings.com](mailto:sathees.kumar@careratings.com)

**Mr. Ankur Sachdeva**

Vice President – Marketing (SME)

Mobile: +91-9819698985

E-mail: [ankur.sachdeva@careratings.com](mailto:ankur.sachdeva@careratings.com)

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,  
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

**Website: [www.careratings.com](http://www.careratings.com)**

**OFFICES**

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, <b>Ahmedabad - 380 015.</b> Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: <a href="mailto:mehul.pandya@careratings.com">mehul.pandya@careratings.com</a></p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: <a href="mailto:sundara.vathanan@careratings.com">sundara.vathanan@careratings.com</a></p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail : <a href="mailto:Pradeep.kumar@careratings.com">Pradeep.kumar@careratings.com</a></p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b> Tel – 040 40102030 Mobile – 91600 74789 E-mail: <a href="mailto:ashwini.jani@careratings.com">ashwini.jani@careratings.com</a></p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: <a href="mailto:sukanta.nag@careratings.com">sukanta.nag@careratings.com</a></p>	<p>Ms.Swati Agrawal Regional Manager 3rd floor, B-47, Inner Circle Near Plaza Cinema Connaught Place <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : <a href="mailto:swati.agrawal@careratings.com">swati.agrawal@careratings.com</a></p>