

DECEMBER 22, 2016

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF  
P.D.AGRawal INFRASTRUCTURE LIMITED**

**Ratings**

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long term Bank Facilities	26.52 (Reduced from Rs.25.99 crore )	<b>CARE BBB+; Stable (Triple B Plus; Outlook: Stable)</b>	<b>Reaffirmed</b>
Long-term/short -term Bank Facilities	95.00 (Enhanced from Rs.55 crore)	<b>CARE BBB+; Stable/CARE A2 (Triple B Plus; Outlook: Stable/ A Two)</b>	<b>Reaffirmed</b>
<b>Total Facilities</b>	<b>121.52 (Rupees One Hundred Twenty One crore and Fifty Two lakh only)</b>		

**Rating Rationale**

The ratings of P.D. Agrawal Infrastructure Limited (PDAIL) continue to favourably take into account steady growth in the income from its two operational toll road projects along with successful completion of their major maintenance while maintaining healthy profitability margins and comfortable debt coverage indicators. Furthermore, the ratings derive strength from the vast experience of the promoters along with PDAIL's established track record in the road construction business, its moderate order book which provides medium-term revenue visibility and the government's focus towards infrastructure development which could translate into more business opportunities for the construction players.

The ratings, however, continue to be constrained by PDAIL's relatively modest albeit growing scale of operations, geographical and client concentration of its order book, however, moderated slightly, working capital-intensive operations and its presence in a fragmented and competitive construction industry.

PDAIL's ability to further scale up its operations through timely execution of the existing orders and grow its order book through greater geographical and segmental diversification while maintaining its profitability margins and capital structure shall be the key rating sensitivities.

**Background**

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 on going concern basis. The company is engaged in construction activities, mainly in the roads and bridges segment and has status of A-5 (eligible to bid for any amount) class contractor with different departments of Madhya Pradesh (M.P.) state government.

PDAIL has two operational toll road projects under Build-Operate-Transfer (BOT) basis in the state of Punjab.

As per the audited results for FY16 (refers to the period April 1 to March 31), PDAIL earned a PAT of Rs.9.80 crore on a total operating income of Rs.115.38 crore as against a PAT of Rs.14.25 crore on a total operating income of Rs.110.42 crore during FY15. Furthermore, as per provisional results for 6MFY17, PDAIL has reported TOI of Rs 89.88 crore and PAT of Rs.7.91 crore.

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

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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