



## Press Release

### P&R Infraprojects Limited

April 11, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	25.00	IVR BBB-/ Positive (IVR Triple B Minus with Positive Outlook)	IVR BBB-/ Positive (IVR Triple B Minus with Positive Outlook)	Re-affirmed	Simple
Short Term Bank Facility	105.00	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Re-affirmed	Simple
<b>Total</b>	<b>130.00</b>	<b>Rupees One Hundred and thirty crores Only</b>			

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

#### Detailed Rationale

There was reclassification for the bank loan facility of Rs. 130.00 Crore out of Rs. 20.00 Crore has been allocated towards Punjab National Bank & Rs 5.00 Crore has been allocated towards State bank of India into long Term bank Facility as Cash Credit and Rs. 85.00 Crore has been allocated towards Punjab National Bank & Rs 20.00 Crore has been allocated towards State bank of India into Short Term bank Facility as Bank Guarantee.

Infomerics Valuation and Rating Limited (IVR) has reaffirmed long term rating to IVR BBB Minus with a Positive outlook & Short term rating as IVR A3 for the bank loan facilities of P&R Infraprojects Limited (P&R).

The rating continues to draw comfort from the established track record of operations and experienced management, demonstrated track record with proven project execution capability, reputed clientele, healthy order book, improved debt protection metrics and financial risk profile. However, these strengths are partially offset by tender based nature of business, working capital intensive nature of operations and susceptibility of operating margin to volatile input prices.

The 'Positive' outlook indicates improvement in scale of operations and profitability which likely to sustain. IVR believes P&R will continue to benefit from its operational track record in the business, its reputed clientele and inflow of orders as per the current order book position.



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IVR has principally relied on the standalone audited financial results of P&R upto 31 March 2024 (Refer period from April 01, 2023, to March 31, 2024), Un-audited H1FY25 results (Refer period from April 01, 2024, to September 30, 2024) & Projected financials for FY2025 to FY2027, and publicly available information/ clarifications provided by the company's management.

### **Key Rating Sensitivities:**

#### **Upward Factors**

- Substantial improvement in the scale of operations with TOI above Rs. 300 crore and EBITDA margins
- Improvement in debt protection metrics
- Sustenance of the overall gearing below

#### **Downward Factors**

- Significant reduction in the scale of operations and profitability margins.
- Deterioration in debt protection metrics and overall gearing
- Low orders inflow or delay in execution of projects

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

- **Experienced promoters**

The promoter, Mr. Paveljeet Singh Ruppal (Managing Director) B. Tech (Mechanical) by qualification has around three and a half decades of experience in the construction sector. Mr. Paveljeet Singh Ruppal looks after Finance/ Technical and Marketing departments of the company. Mr. G.S. Ruppal (Whole-Time Director) is FIE (C) M.I. Structure (London), ME (M) FIV, FIBE, FICC, FICA by qualification and has around four decades of experience in the construction sector, looking after Technical and Projects departments of the company. Mrs. Pradeep Kaur Ruppal (Whole-Time Director) is M.Sc. (Space Physics) by qualification and has more than two and a half decades of experience in the construction sector, looking after HR and Administration departments for the company. The directors are well supported by a team of experienced and qualified professionals.

- **Proven project execution capability**



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Over the past years, the entity has successfully completed many projects across Delhi, Jaipur and Kolkata and ensured timely completion of all its projects. The repeat orders received from its clientele validate its construction capabilities. However, the company has recently got a Hydro Power Project which is a relatively new avenue for the company.

- **Reputed clientele**

PIPL mainly bids for tenders floated by various government departments/entities and is mainly engaged in road construction. Moreover, the company also works as a sub-contractor for other contractors.

- **Satisfactory order book reflecting satisfactory near to medium-term revenue visibility**

The company has an unexecuted order book position of Rs.400.65 crore as on Dec 31, 2024, which is ~1.61 times of its FY24 (Audited) contract revenue. The present order book is majorly skewed towards road construction in Chandigarh, Kullu and Bihar. In order to diversify its geographical operations, the company has also procured few orders in Shimla.

- **Stable business performance**

The business performance of the company continued to remain healthy in FY24 with significant growth in its total operating income (TOI) with healthy profitability. The TOI improved by ~26.35% y-o-y in FY24 to Rs.248.67 crore from Rs.196.81 crore in FY23. However, notwithstanding the growth in TOI, EBITDA moderated in FY24 mainly due to rise in subcontracting expenses. Consequently, the EBITDA margin though remained healthy, witnessed moderation from 12.42% in FY23 to 11.75% in FY24. Similarly, the PAT margin though remained healthy witnessed moderation from 3.54% in FY23 to 3.25% in FY24. During 9MFY25, the company has achieved a revenue of Rs.121.93 crore.

- **Comfortable capital structure with satisfactory debt protection metrics in FY24 (Audited)**

The capital structure of the company continued to remain comfortable in FY24 underpinned by its healthy net worth base and low reliance on external debts. The net worth base (ATNW) of the company stood at Rs.98.22 crore as on March 31, 2024. The leverage ratios marked by



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debt equity ratio and overall gearing ratio continued to remain satisfactory at 0.06x and 0.73x respectively as on March 31, 2024, (0.10x and 0.49x respectively as on March 31, 2023). However, the total indebtedness marked by TOL/ATNW remained constant to 1.96x as on March 31, 2024 from 1.93x as on March 31, 2023. The debt protection metrics as indicated by interest coverage ratio remained comfortable at 2.30x in FY24 from 2.55x in FY23 due to increase in interest cost. However, Total debt to EBITDA and Total debt to GCA both declined to 2.45x and 4.68x respectively as on March 31, 2024, (1.80x and 3.36x as on March 31, 2023) due to increase in total debt owing to infusion of unsecured loan by the group companies of Rs. 29.98 Crore coupled with improvement in EBITDA and gross cash accruals. Infomerics Ratings believes that the capital structure of the company will continue to remain comfortable in the near to medium term.

- **Government thrust on road infrastructure**

India has the one of largest road network across the world, spanning over a total of 5.5 million km with gradual increase in road transportation over the years attributable to improvement in connectivity between cities, towns and villages in the country. The government, through a series of initiatives, is working on policies to attract significant investor interest. A total of 200,000 km national highways is expected to be built by 2025. PIPL being mainly in road construction likely to be benefitted in near to medium term the increased thrust of the government in developing the road infrastructure.

### **Key Rating Weaknesses**

- **Geographical concentration and sectorial concentration risk**

The present order book is majorly skewed towards road construction in Chandigarh, Jammu and Shimla from various government departments indicating a geographical and sectorial concentration risk. However, the company has adequate experience in order to execute projects in these states which provides comfort. Further to reduce its geographical concentration risk the company has started bidding for projects in other states and has secured few contracts in kullu and Delhi which will be executed in the next one-three years.



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- **Susceptibility of operating margin to volatile input prices**

Major raw materials used in civil construction activities are steel & cement and in road construction activities are stone, asphalt/bitumen and sand which are usually sourced from large players/dealers at proximate distances. The raw material & labour (including sub- 5 contracting) cost forms the majority chunk of the total cost of sales for the last three years. As the raw material prices & labour (including sub-contracting) cost are volatile in nature, the profitability of the company is subject to fluctuation in raw material prices & labour (including sub-contracting) cost. However, presences of escalation clause (for raw materials) in most of the contracts protect the margin to an extent.

- **Tender based nature of business with intense competition in the industry**

The domestic construction sector is highly crowded with presence of many players with varied statures and capabilities. Further, the company receives work orders through tenders amidst intense price war. The profit margins of the company may remain under pressure because of this highly competitive nature of industry. However, promoters' long industry exposure imparts comfort.

- **Working capital intensive nature of operation**

The operations of PIPL are working capital intensive as a large amount of working capital remains blocked in earnest money deposits and retention money. Further, most of its road construction works and consequent billings are skewed towards last two quarters (almost ~30-40% of sales are booked in the last quarter on an average) which led to high debtors outstanding as on the last date of the financial year (payments have generally been received in 1st quarter of the next fiscal) and resulted in high average collection period. This apart, its clients are government departments/entities having various procedural requirements where payments are relatively slow. However, despite high collection period, comfort can be derived from the fact that the dues are from various government departments (Mostly NHAI) though its state wings) which carries a low default risk.



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**Analytical Approach:** For arriving at the ratings, IVR has analysed P&R credit profile by considering the standalone financial statements of the company.

**Applicable Criteria:**

[Rating Methodology for Infrastructure Sector Companies.](#)  
[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)  
[Criteria for assigning Rating outlook.](#)  
[Policy on Default Recognition](#)  
[Complexity Level of Rated Instruments/Facilities](#)

**Liquidity – Adequate**

The liquidity position of the company is expected to remain adequate in the near term marked by its expected adequate cash accruals as against its debt repayment obligations. The company is expecting to generate cash accruals in the range of ~Rs.26.05 to ~Rs.36.14 crore as against its debt repayment obligations in the range of ~Rs.0.63 to ~Rs.0.04 crore during FY25-FY27. Further, on the back of its comfortable capital structure, the company has adequate gearing headroom. Moreover, the average utilisation of bank borrowings remained moderate at ~78.90% during the past 12 months ended Nov 2024 indicating moderate liquidity buffer.

**About the Company**

P&R Infraprojects Limited (PRIL), established in 1986 by Mr. Paveljeet Singh Ruppal, is a prominent engineering and civil construction company specializing in large-scale infrastructure projects. Originally founded as P&R Engineering Services (P) Ltd., the company evolved into a limited entity in 2005, expanding its capabilities across multiple sectors. PRIL delivers comprehensive services, including designing, fabrication, and erection of heavy structural steelwork for thermal and hydro power plants, bridges, building structures, and stadia.





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### Financials (Standalone):

For the year ended as on	(Rs. crore)	
	31-03-2023	31-03-2024
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	196.81	248.67
EBITDA	24.45	29.23
PAT	7.00	8.17
Total Debt	44.10	71.73
Tangible Networth	98.96	107.16
EBITDA Margin (%)	12.42	11.75
PAT Margin (%)	3.54	3.25
Overall Adjusted Gearing Ratio (x)	0.49	0.73
Interest Service Coverage Ratio (x)	2.55	2.30

**Status of non-cooperation with previous CRA: Nil**

**Any other information:** Not Applicable

### Rating History for last three years:

Sr. No.	Type of Instrument/Facility	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 Dated : Feb 03, 2025	Date(s) & Rating(s) assigned in 2023-24 Dated : Dec 06, 2023	Date(s) & Rating(s) assigned in 2022-23 Dated : Sep 14, 2022
1.	Fund Based – Cash Credit	Long Term	25.00	IVR BBB-/ Positive (IVR Triple B Minus with Positive Outlook)	IVR BBB-/ Positive (IVR Triple B Minus with Positive Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with stable Outlook)
2.	Non - Fund Based – BG	Short Term	105.00	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating PVT Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs 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/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook





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Cash Credit	-	-	Revolving	25.00	IVR BBB-/ Positive (IVR Triple B Minus with Positive Outlook)
BG	-	-	-	105.00	IVR A3 (IVR A Three)

**Annexure 2: Facility wise lender details:** <https://www.infomerics.com/admin/prfiles/Len-PR-Infraprojects-11apr25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated securities/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/combined analysis:** Nil

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).