



## Press Release

### Pushpdeep Infrastructure Private Limited

May 19, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	11.00	IVR BBB/Positive (IVR Triple B with Positive Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Outlook revised from Stable to Positive	Simple
Short Term Facilities	89.00	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	Rating Reaffirmed	Simple
<b>Total</b>	<b>100.00</b> <b>(Rupees One Hundred Crore Only)</b>				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

The reaffirmation of the rating assigned to the bank facilities of Pushpdeep Infrastructure Private Limited (PIPL) continues to factor in extensive experience of promoters, increase in scale of operations and profitability, healthy debt protection and coverage parameters and moderate working capital cycle. The rating is however constrained on account of decline in the order book position, risks related to the project execution, tender-driven nature of business, highly fragmented & competitive construction sector, susceptibility of operating margins to volatility in input prices.

The 'Positive' outlook reflects a continuous increase in the scale of operations and profitability in FY24 (Audited) (refers to the period from April 1, 2023, to March 31, 2024) and FY25 (Provisional) (refers to the period from April 1, 2024, to March 31, 2025), along with an expected improvement in the scale of operations and order book position in FY26 (refers to the period from April 1, 2025, to March 31, 2026).

#### Key Rating Sensitivities:

##### Upward Factors

- Substantial & sustained improvement in revenue and profitability margins while maintaining the debt protection metrics
- Procurement of new orders providing medium term revenue visibility.



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### **Downward Factors**

- Any decline in revenue and/or profitability margin leading to deterioration in debt protection metrics.

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

#### **Key Rating Strengths**

##### **Extensive experience of promoters in civil construction industry**

PIPL is led by Mr. Deepak Kumar Agarwal (Managing Director of the company) and his team of who have a minimum relevant industry experience of 20 plus years. PIPL has got good and established track record of more than 14 years as EPC contractor. Extensive experience of the promoters in the civil construction industry helps the company in bidding stages of the project. Also, established relations with suppliers helps the company to timely procure materials and at competitive rates. The company has well established medium to long term tie ups with reputed customers in the EPC industry.

##### **Increase in scale of operations and profitability**

The company registered a growth of approximately 26% in its total operating income, which increased to Rs.201.90 crore in FY24 from Rs.159.96 crore in FY23 (refers to the period from April 1, 2022, to March 31, 2023). This growth in sales was driven by timely execution of the orders during the year. With the increase in the scale of operations, the company reported a marginal improvement in profitability, as reflected in the EBITDA margin of 7.90% in FY24 (FY23: 6.21%) and PAT margin of 5.90% (FY23: 4.97%). Additionally, with the speedy order execution during FY25 provisional, the company's total operating income and PAT increased by approximately 31% and 42% y-o-y to Rs. 367.74 crore and Rs. 22.00 crore, respectively.

##### **Healthy debt protection and coverage parameters**

The company has comfortable capital structure as indicated by overall gearing ratio of the company of 0.10x as on March 31, 2024 (March 31, 2023: 0.02x). Lower reliance on fund based working capital limits from banks due to healthy operating cycles has translated to comfortable capital structure for the company. The company also has comfortable debt



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coverage ratios as indicated by interest coverage ratio of 18.27x as on March 31, 2024 (March 31, 2023 : 18.01x).

### **Moderate working capital cycle**

The operating cycle is comfortable at around 35 days, supported by creditor days of approximately 54 days for the financial year ended March 31, 2024. The company receives and executes orders from government departments for the construction of various public buildings. Due to the government's trust and keen focus on developing public infrastructure such as hospitals, colleges, etc. at an accelerated pace, payments against bills raised are generally received within 35 to 55 days. Accordingly, the collection cycle stood at 45 days as on March 31, 2024. Given the nature of the business, the company is required to maintain high levels of retention money with government departments, which is typically released 1–2 years after project completion, i.e., post the defect liability period. However upon including retention money as receivables translates to extended yet comfortable collection cycle of around 80 days, considering the working capital-intensive nature of the industry.

### **Key Rating Weaknesses**

#### **Decline in the order book position**

The unexecuted order book remained at Rs 648.99 crore as of March 31, 2025. The order book to total operating income (TOI) ratio remained moderate at around 1.86 times, based on the revenue of FY25. However, the unexecuted order book position declined compared to the previous year. These orders are expected to be completed in the next two years. The entire order book is composed of contracts from State / Central Government or Government departments, thus reducing credit risk to an extent. Constantly replenishing order book and executing the existing orders on time is a key monitorable for the companies in civil construction.

#### **Risks related to the project execution; tender-driven nature of business; highly fragmented & competitive construction sector**

PIPL operates in a tender based business and faces competition from other national level large players and small unorganized players who generally specialize in one or two business segments. Revenues are dependent on the company's ability to bid successfully for tenders,



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also bid based /tender based system for availing orders may exert pressure on the profitability of the company. Availing orders and timely execution of the same will remain a key rating monitorable.

### **Susceptibility of operating margins to volatility in input prices**

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

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Infrastructure Companies.](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and post default Curing period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

### **Liquidity – Adequate**

The company's liquidity position remains adequate, supported by healthy cash accruals of Rs. 12.60 crore in as on March 31, 2024 and low average fund-based limit utilization at ~9% over the last 12 months ended February 2025. Additionally, a current ratio of 2.56x times and cash and cash equivalents of Rs. 38.48 crore as on March 31, 2024, provide a comfortable cushion for short-term obligations.

### **About the Company**

PIPL, based in Noida (Uttar Pradesh), was incorporated on August 27, 2010 by taking over the partnership firm M/s. S. K. Gupta & Co. which was founded by father of Mr. Deepak Kumar



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Agarwal in 1977. Mr. Deepak Kumar Agarwal is the promoter of the company having experience of more than 20 years in civil construction. The company is registered with various government department and development authorities like Greater Noida Industrial Development Authority, Yamuna Expressway Industrial Development Authority, UP Awasthi Vikas Parishad, Ghaziabad Development authority and New Okhla Industrial Development Government Authority. PIPL majorly focuses on construction of flats for Government department.

### Financials (Standalone):

(Rs. crore)		
For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	159.96	201.90
EBITDA	9.94	15.94
PAT	8.03	12.01
Total Debt	0.89	6.28
Tangible Net Worth	53.15	65.17
EBITDA Margin (%)	6.21	7.90
PAT Margin (%)	4.97	5.90
Overall Gearing Ratio (x)	0.02	0.10
Interest Coverage (x)	18.01	18.27

\* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years			
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24		Date(s) & Rating(s) assigned in 2022-23
					June 06, 2024	(July 28, 2023)	(June 05, 2023)	(April 01, 2022)
1.	Cash Credit/Overdraft	Long Term	10.00	IVR BBB/Positive	IVR BBB/Stable	IVR BBB-/Stable	IVR BB+/Negative; INC*	IVR BBB-/Stable





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2.	Proposed Cash Credit	Long Term	1.00	IVR BBB/Positive	IVR BBB/ Stable	IVR BBB-/ Stable	IVR BB+/ Negative; INC*	IVR BBB-/ Stable
3.	Bank Guarantee	Short Term	88.00	IVR A3+	IVR A3+	IVR A3	IVR A4+; INC*	IVR A3
4.	Proposed Bank Guarantee	Short Term	1.00	IVR A3+	IVR A3+	IVR A3	IVR A4+; INC*	IVR A3

*\*Issuer did not cooperate; based on best available information*

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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.

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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: Instrument/Facility Details

Name of Facility /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit/ Overdraft	-	-	-	-	10.00	IVR BBB/Positive
Proposed Cash Credit	-	-	-	-	1.00	IVR BBB/Positive
Bank Guarantee	-	-	-	-	88.00	IVR A3+
Proposed Bank Guarantee	-	-	-	-	1.00	IVR A3+

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Pushpdeep-Infrastructure-19may25.pdf>

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

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not applicable

**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).