



### Press Release

**PRA INDIA PRIVATE LIMITED (erstwhile P R AGRAWAL PROJECT PRIVATE  
January 08, 2024**

### Rating Assigned and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	18.00	ACUITE A   Stable   Assigned	-
Bank Loan Ratings	2.00	ACUITE A   Stable   Upgraded	-
Bank Loan Ratings	100.00	-	ACUITE A1   Assigned
Bank Loan Ratings	40.00	-	ACUITE A1   Upgraded
<b>Total Outstanding Quantum (Rs. Cr)</b>	<b>160.00</b>	-	-

### Rating Rationale

Acuite has upgraded the long term rating to '**ACUITE A**' (read as **ACUITE A**) from '**ACUITE A-**' (read as **ACUITE A minus**) and the short term rating to '**ACUITE A1**' (read as **ACUITE A one**) from '**ACUITE A2+**' (read as **ACUITE A two plus**) on the Rs.42.00 crore of bank facilities of PRA India Private limited (PIPL). The outlook is '**Stable**'.

Acuite has assigned the long term rating of '**ACUITE A**' (read as **ACUITE A**) and the short term rating of '**ACUITE A1**' (read as **ACUITE A one**) on the Rs.118.00 crore of bank facilities of PRA India Private limited (PIPL). The outlook is '**Stable**'.

### Rationale for the rating:

The rating considers group's improvement in operational performance during FY2023 and same being sustained during the first 6 months of FY2024 and healthy financial profile of group. The operating income of barbrik group has been consistently growing since the last two years from FY2023. The Company's revenue stood at Rs.863.72 Cr in FY2023 as against Rs. 538.69 Cr in FY2022. During the current year the group has already achieved revenue of Rs.523 Cr till September 2023. The operating margins ranged between 16.22-14.84 percent for the last two years ended FY2023. The financial risk profile of group continues to be healthy with healthy debt protection metrics and minimal gearing. The overall gearing of the Company stood at 0.38 times as on March 31, 2023 as against 0.31 times as on March 31, 2022. The interest coverage ratio stood at 9.65 times in FY2023 as against 8.04 times in FY2022.

The rating continues to derive strength from the extensive experience of the promoters, healthy order book. The rating is constrained by working capital intensive operations.

### About Company

Chhattisgarh based, PRA India Private limited (PIPL) was incorporated in 2019 by Mr. Rajesh Kumar Agrawal. The company is engaged in civil construction work and currently undertakes projects subcontracted by Barbrik Project Limited.

### About the Group

Barbrik Project Limited (BPL) was established as a partnership firm in 1985 and subsequently

converted into a private limited company in 2008. The entity has been promoted by the Agarwal family of Chhattisgarh and is engaged in the construction of roads, bridges and

highways. The company is a registered contractor for Public Works Department (PWD) of Chhattisgarh, Jharkhand, Maharashtra, Madhya Pradesh, Odisha and Bihar along with National Highway Authority of India (NHAI) and State Highway Authority of Jharkhand (SHAJ). The company is also engaged in undertaking logistic service for Central Coalfield Limited, Northern Coalfield Limited and Adani Enterprises Limited. Currently, the company is managed by Mr. Ramesh Kumar Agrawal, Mr. Rajesh Kumar Agrawal, Mr. Kanhaiya Lal Agrawal, Mr. Ayush Kumar Agrawal and Mr. Sourabh Agrawal.

### **Unsupported Rating**

Not Applicable

### **Analytical Approach**

#### **Extent of Consolidation**

- Full Consolidation

#### **Rationale for Consolidation or Parent / Group / Govt. Support**

Acuité has consolidated the financial and business risk profile of Barbrik Project Limited (BPL) and PRA INDIA PRIVATE LIMITED (PIPL). The group is herein being referred to as Barbrik Group. The same is on account of common management, same line of operations and significant operational and financial linkages.

### **Key Rating Drivers**

#### **Strengths**

- **Experienced management and long track record of operations and healthy order book**

The group has a long execution track record of thirty five years in the civil construction business with an established track record of projects related to road, highways and bridges. The promoters of the group Mr. Ramesh Kumar Agrawal, Mr. Rajesh Kumar Agrawal, Mr. Kanhaiya Lal Agrawal possesses more than three decades of experience in the infrastructure industry. The second-generation promoters Mr. Ayush Kumar Agrawal and Mr. Sourabh Agrawal (son of Mr. Ramesh Kumar Agrawal) have joined the business and also have experience of more than a decade in the infrastructure industry. The group has a long presence in this sector and has established a healthy relationship with customers for more than a decade. The timely execution of the projects has helped the group to improve its market presence in Odisha, Chhattisgarh, Madhya Pradesh, Jharkhand and Maharashtra. Group has bagged a HAM project of Rs 865 Cr from NHAI through its SPV PRA Hatibena Badakumari Expressway (PRA HBEPL). PRA Group has a 100 percent stake in PRA HBEPL. (Sponsor- Barbrik Projects Ltd-76% and PRA India Private Limited -24%). The said project received its appointment date on 4.03.2022. Further the HAM Project had completed 90percent physical progress as on 30.11.2023, which concludes that the company has achieved its 10th payment milestone in terms of physical progress and also have received the payment for the same and it clearly depicts the strength and experience of the sponsors. Further, the group has also bagged another HAM project of Rs 732 Cr plus GST from NHAI through its SPV PRA Gola Ormanjhi Highway Private Limited (PRA PGHPL). The said project received its appointment date on April 2023. Groups' order book as on November 30, 2023 stands at Rs 2,380 Cr, with major contributions from the by-roads – HAM, roads – EPC, coalover burden removal, and hydro power segments. The outstanding order book is 2.7x of the FY2023 revenue. Acuité derives comfort from the long experience of the promoters in the civil construction work and healthy order book position.

- **Improving scale of operations**

The revenue of the group stood healthy at Rs.863.72 Cr in FY2023 with YOY increase of 60.34 percent as compared to Rs.538.69 Cr in the previous year and same being sustained during the first 6 months of FY2024. The improvement in the revenues in FY2023 is

on account of orders executed on time and started execution of HAM projects. Currently the group has achieved a revenue of Rs.523.00 Cr till september 2023. The operating margins ranged between 16.22-14.84 percent for the last two years ended FY2023. Acuite believes the revenue of the company will increase going forward based on the healthy unexecuted order book in hand.

- **Healthy financial risk profile**

Group's financial risk profile is healthy, marked by a healthy net worth and gearing along with healthy debt protection metrics. The net worth of the company stood at Rs.349.67 Cr and Rs.283.88 Cr as on March 31, 2023 and 2022 respectively. The improvement is on account of healthy accretion of net profit in the reserves. The gearing of the company stood at 0.38 times as on March 31, 2023 as against 0.31 times as on March 31, 2022. Group's debt protection metrics is healthy marked by- Interest coverage ratio and debt service coverage ratio stood at 9.65 times and 2.26 times as on March 31, 2023 respectively as against 8.04 times and 1.74 times as on March 31, 2022 respectively. TOL/TNW stood at 1.17 times and 1.21 times as on March 31, 2023 and 2021 respectively. The debt to EBITDA of the company stood at 0.97 times on as on March 2023 as against 0.91 times in FY2022. Going forward, Acuite believes the financial risk profile of the group will remain healthy on account of steady net cash accruals and no major debt funded capex plan.

## **Weaknesses**

- **Intensive Working capital operations**

Group has intensive working capital operations marked by gross current assets of 147 days in FY2023 as against 190 days in FY2022. However, there is an improvement in the GCA days that is on account of improvement in inventory days and slight improvement in debtors' days. Inventory days stood at 37 days as on March 31, 2023 as against 74 days as on March 31, 2022. The debtor day stood at 51 days as on March 31, 2023 as against 62 days as on March 31, 2022. Further, the high GCA days also emanates from the high other current asset of Rs.142.50 cr. in FY 2023.

## **Rating Sensitivities**

- Scaling up of operations while maintaining their profitability margin
- Timely execution of orders
- Sustenance of existing financial risk profile with healthy capital structure

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## **Liquidity Position: Adequate**

Group's Liquidity is adequate with adequate NCAs to its repayment obligations. Group generated cash accruals of Rs.100.23 Cr during FY2023, while its maturing debt obligations are Rs.36.40 Cr during the same period. The cash accruals of the company are estimated to remain around Rs.127-161 Cr during FY2024-25 while their repayment obligations are Rs. 27-52Cr during the same period. The Company has maintained unencumbered cash and bank balances Rs.11.83 Cr and the current ratio stood at 1.23 times as on March 31, 2023. The limits remains utilized at 37 percent for fund based and 57 percent for non-fund based respectively for the past 6 months ending September, 2023. Acuite expects that the liquidity of the company is likely to be Adequate over the medium term on account of healthy cash accruals.

## **Outlook:**

Acuite believes the group's outlook will remain 'stable' over the medium term on account of the vast experience of the promoters, long execution track record, healthy order book position and strong financial risk profile. The outlook may be revised to 'Positive' in case the group registers healthy growth in revenues while achieving sustained improvement in operating margins, capital structure and working capital management. Conversely, the

outlook may be revised to 'Negative' in case of a decline in the group's revenues or profit margins, or in case of deterioration in the group's financial risk profile and liquidity position or delay in completion of its projects or further deterioration in its working capital cycle.

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	863.72	538.69
PAT	Rs. Cr.	69.58	44.34
PAT Margin	(%)	8.06	8.23
Total Debt/Tangible Net Worth	Times	0.38	0.31
PBDIT/Interest	Times	9.65	8.04

### Status of non-cooperation with previous CRA (if applicable)

Not applicable

### Any Other Information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Apr 2023	Cash Credit	Long Term	1.00	ACUITE A-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	9.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee	Short Term	11.00	ACUITE A2+ (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	20.00	ACUITE A2+ (Reaffirmed)
17 Nov 2022	Cash Credit	Long Term	1.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	11.00	ACUITE A2+ (Assigned)
	Bank Guarantee	Short Term	9.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee	Short Term	20.00	ACUITE A2+ (Reaffirmed)
28 Dec 2021	Proposed Bank Guarantee	Short Term	9.00	ACUITE A2+ (Assigned)
	Proposed Cash Credit	Long Term	1.00	ACUITE A-   Stable (Assigned)
	Proposed Cash Credit	Long Term	1.00	ACUITE A-   Stable (Reaffirmed)
	Proposed Bank Guarantee	Short Term	20.00	ACUITE A2+ (Reaffirmed)
16 Oct 2020	Proposed Cash Credit	Long Term	1.00	ACUITE A-   Stable (Assigned)
	Proposed Bank Guarantee	Short Term	20.00	ACUITE A2+ (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
A U Small Finance Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	40.00	ACUITE A1   Upgraded
Union Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	52.00	ACUITE A1   Assigned
A U Small Finance Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE A   Stable   Upgraded
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	ACUITE A   Stable   Assigned
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	48.00	ACUITE A1   Assigned
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A   Stable   Assigned



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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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