



Press Release
PRADHAN ASSOCIATES PRIVATE LIMITED
July 24, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	16.50	ACUITE BB+ Stable Assigned	-
Bank Loan Ratings	33.50	-	ACUITE A4+ Assigned
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long term rating of 'ACUITE BB+'(read as ACUITE double B plus)on the Rs. 16.50 Cr. bank facilities and short term rating of 'ACUITE A4+'(read as ACUITE A four plus)on the Rs. 33.50 Cr. bank facilities of Pradhan Associates Private Limited. The outlook is 'Stable'.

Rationale for rating

the rating takes into cognizance long track record of operations, benefits derived from management, improving revenues and operating profitability, healthy order book position, moderate financial risk profile and adequate liquidity. However these strengths are partly offset by intensive working capital cycle and susceptibility to competition due to fragmented nature of business.

About the Company

Bhubaneswar – Based, Pradhan Associates Private Limited was incorporated in 1991. The company is engaged in providing operations and maintenance services at smelter units and maintenance contracts at billet casting units. It undertakes projects like revamping of old plants, erection and commissioning of operation plants. Additionally, it also supplies manpower supply to units. The directors of the company are Mr. Kabi Chandra Pradhan, Mr. Gautam Pradhan, Mr. Vikram Pradhan Mr. Suruchi Pradhan and Ms. Suniti Pradhan,

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken standalone business and financial risk profile of Pradhan Associates Private Limited to arrive at its rating.

Key Rating Drivers

Strengths

Benefits derived from experienced promoters and healthy relation with clientele base

The operations of the company are managed by Mr. Gautam Pradhan, Mr. Kabi Chandra Pradhan and Mr. Vikram Pradhan. They hold prior experience in this business line for more than two decades. The customer base of the company include Hindalco Industries Limited, JSW Steel Limited, Vedanta Limited among others. Acuite believes that the company will derive benefits from the experienced management and relationship with their customers will

help company going forward.

Increasing Revenues and operating profitability

The revenues of the company have increased to Rs. 190.31 Cr. as on March 31, 2025(Prov.) as compared to Rs. 124.69 Cr. as on March 31, 2024 on account of completion of orders. The operating profitability has increased to 8.14 percent as on March 31, 2025(Prov.) as compared to 7.47 percent as on March 31, 2024 on account of better

absorption of fixed costs.

The order book of the company stood at Rs. 435.54 Cr. as on March 31, 2025 which includes unexecuted orders amounting to Rs. 234.60 Cr. Most of the orders will be completed approximately within 12-24 months. The OB/OI stood at 1.23 times.

The company plans to open a multi-purpose workshop for works like spares, repairs, downstream services with a project cost of about Rs. 5.80 Cr. to be funded through bank loan and margin money provided by the company. The expected date of completion would be FY 27. Acuite believes that with the implementation of the capex plan, it will lead to better time management and monitoring of the manpower of the company.

Moderate financial risk profile

The financial risk profile of the company is marked moderate by improving net worth, moderate gearing and debt protection metrics. The tangible net worth of the company stood at Rs. 25.51 Cr. as on March 31, 2025(Prov.) as compared to Rs. 16.67 Cr. as on March 31, 2024 due to accretion to reserves. The gearing of the company stood at 1.60 times as on March 31, 2025(Prov.) as compared to 2.36 times as on March 31, 2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 3.28 times as on March 31, 2025(Prov.) as compared to 4.09 times as on March 31, 2024. The debt protection metrics of the company remain moderate marked by Interest Coverage ratio (ICR) of 7.95 times as on March 31, 2025(Prov.) and debt service coverage ratio (DSCR) of 4.57 times for March 31, 2025(Prov.). The net cash accruals to total debt (NCA/TD) stood at 0.25 times as on March 31, 2025(Prov.) as compared to 0.15 times as on March 31, 2024. Acuite believes that the financial risk profile will improve over the near to medium term, with steady cash accruals.

Weaknesses

Intensive Working Capital Cycle

The working capital cycle of the company is intensive as reflected by Gross Current Assets (GCA) of 163 days for March 31, 2025(Prov.) as compared to 201 days for March 31, 2024. The debtor days stood at 121 days as on March 31, 2025(Prov.) as compared to 136 days as on March 31, 2024. Further, the inventory days of the company stood at 10 days as on March 31, 2025(Prov.) as compared to 20 days in FY2024. Since the company is a service provider, not much inventory is present in their books. The creditors stood at 269 days as on March 31, 2025(Prov.) as compared to 329 days as on March 31, 2024. Acuite believes that the working capital operations of the company will remain at similar levels over the medium term.

Presence in highly competitive and fragmented nature of business

The industry is highly fragmented with large players in organised sectors. However, most of its projects are tender-based and face intense competition, which may hence require it to bid aggressively to get contracts. Acuite believe that the company is susceptible to volatility in margins due to intense competition in this industry.

Rating Sensitivities

Movement in revenues and operating profitability

Working Capital Cycle

Debt funded capex plan

Liquidity Position

Adequate

The company has adequate liquidity marked by net cash accruals of Rs 10.21 Cr. as on FY2025(Prov.) as against long term debt repayment of Rs. 0.65 Cr. over the same period. The cash and bank balance stood at Rs. 1.19 Cr. as on March 31, 2025(Prov.) and Rs. 3.51 Cr. as on March 31, 2024. Further, the current ratio of the company stood at 1.16 times as on March 31, 2025(Prov.) as compared to 1.13 times as on March 31, 2024. The average bank utilization limit for last 12 months ended is 84 percent. The management has flexibility to infuse funds as and when required to support the business. Acuite believes that the liquidity of the company is to remain adequate over the near to medium term on account of steady cash accruals.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	190.31	124.69
PAT	Rs. Cr.	8.84	4.98
PAT Margin	(%)	4.64	3.99
Total Debt/Tangible Net Worth	Times	1.60	2.36
PBDIT/Interest	Times	7.95	6.71

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

None

Any other information

None

Applicable Criteria

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

Rating History: Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A4+ Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.50	Simple	ACUITE A4+ Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A4+ Assigned
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BB+ Stable Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.50	Simple	ACUITE BB+ Stable Assigned

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