



Press Release
PUNJAB INFRASTRUCTURE DEVELOPMENT BOARD
February 05, 2026
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	618.82	ACUITE BBB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	618.82	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 618.82 Cr. of bank loan facilities of Punjab Infrastructure Development Board (PIDB). The Outlook is '**Stable**'.

Rationale for Rating

The assigned rating reflects PIDB's role as the nodal agency for the Government of Punjab (GoP), which focuses on infrastructure development via the Public Private Partnership (PPP) model and non-budgetary funding. Chaired by the Chief Minister of Punjab and established under the Punjab Infrastructure (Development & Regulation) Act, 2002, PIDB coordinates the identification, prioritization, and implementation of projects. This rating provides comfort regarding GoP support in the form of grants-in-aid and guarantees extended to facilities rated by Acuite.

Acuite notes that under the Punjab Infrastructure (Development & Regulation) Amendment Act (PIDRAA), 2021, the GoP has authorized the levy of a special infrastructure development (ID) fee on sales of petrol, diesel, and immovable property. Proceeds from these fees are credited to PIDB's Development Fund, established under Section 27 of the PIDRAA 2002.

However, the rating is constrained by the below-average financial risk profile of PIDB and stretched liquidity position of Government of Punjab.

About the Company

The Punjab Infrastructure Development Board (PIDB) was constituted in 1998 by the Government of Punjab under the Punjab Infrastructure Development Bill, 1998. Subsequently, this Bill was repealed and replaced by the Punjab Infrastructure (Development & Regulation) Act, 2002, which aimed to facilitate private sector participation in the development, operation, and maintenance of infrastructure facilities. The Act enables infrastructure development through financial resources beyond the State budget, adopting modern project management systems and addressing matters connected or incidental thereto. PIDB is chaired by the Hon'ble Chief Minister of Punjab and is responsible for promoting and facilitating infrastructure development in the state.

Unsupported Rating

Analytical Approach

Acuite has considered standalone business & financial risk profile for the bank loan ratings of Punjab Infrastructure Development Board (PIDB) to arrive at the ratings. Further, Acuite has notched up the ratings after factoring support extended by Government of Punjab in form of unconditional and irrevocable guarantee towards the facilities rated by Acuite.

Key Rating Drivers

Strengths

Strategic Important Entity & Support from GOP

PIDB, a statutory body under the Punjab Infrastructure (Development and Regulation) Act, 2002 (PIDRA 2002), serves as Punjab's apex agency for planning and developing infrastructure projects, coordinating state efforts with private participation and non-budgetary funding. Chaired by the Chief Minister, it channels departmental proposals and funds approved projects using own resources, debt (GoP-guaranteed), and budgetary grants. The board released Rs. 59.11 Cr. in FY 25 and Rs. 1098.65 Cr. in FY 2024 under 'Infrastructure Development Expenses' towards the various projects. Amount being received from Department of Finance for PIDB's expenditure. This amount depends upon requisition being sent by PIDB to Department of Finance for requirement of funds. The board has received Rs. 76.68 Cr. in FY 25 in form of grants against Rs. 2.15 Cr. in FY 24.

Growth in Revenue Receipts & Profitability

The Board booked the net receipts of Rs. 437.81 Cr. in FY 25 against Rs. 298.81 Cr. in FY 24. The improvement is mainly due to increase in Special ID Fee and grant in aid from state government. PIDB booked the operating surplus of Rs. 371.91 Cr. in FY 25 against the operating deficit of Rs. 806.18 Cr. in FY 24. The improvement is mainly due to significant reduction in the 'Infrastructure Development Expenses' to Rs. 59.11 Cr. in FY 25 from Rs. 1098.65 Cr. in FY 24. Similarly, the Surplus After Tax (SAT) improved to Rs. 251.86 Cr. in FY 25 against (Rs. 915.63 Cr.) in FY 24. Acuite believes that business risk profile will improve in near to medium term, however profitability will be volatile depending on the infrastructure development expenses.

Weaknesses

Below Average Financial Risk Profile

The financial risk profile of PIDB is below average marked by corpus fund of Rs. (408.74) Cr. as on 31st March 2025 against Rs. (660.60) Cr. as on 31st March 2024. The gearing ratio of the board stood at (2.01) times in FY 25 against (1.36) times for FY 24. The TOL/TNW stood at (2.80) times for FY 25 against (1.83) times for FY 24. Interest Coverage Ratio (ISCR) improved from (6.17) times in FY 24 to 2.67 times in FY 25. Debt/EBITDA stood at 2.04 times for FY 25. Acuite believes that financial risk profile of the board will improve in near to medium term on account of no further debt funded expenditure planned.

Stretched Liquidity Position of GOP

The Government of Punjab has faced fiscal challenges with persistent revenue deficits and rising debt levels across recent years. For FY24 (RE), net receipts stood at Rs. 99,140 cr., while total expenditure reached Rs 1,29,450 Cr., yielding a revenue deficit of 3.9% of GSDP and fiscal deficit of 5.0% of GSDP; debt repayment was Rs 69,626 crore. In FY25 (RE), receipts grew modestly to Rs 1,04,586 Cr. (5.5% increase), expenditure to Rs 1,35,051 Cr. (4.3% rise), with net borrowings at Rs 28,965 crore and debt repayment marginally up to Rs 69,867 crore, signalling continued reliance on debt amid lower deficit estimates.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Unconditional and irrevocable guarantee has been extended by govt. of Punjab for the Acuite rated term loans.

Rating Sensitivities

- Movement in Financial Risk Profile

- Movement in releasing of grants from GOP

Liquidity Position

Adequate

The liquidity position of PIDB is adequate marked by generating net cash accrual of Rs. 251.99 Cr. in FY 25. The current ratio stood at 1.09 times for FY 25 and cash & bank balance of Rs. 42.61 Cr. as on 31st March 2025. Further, the liquidity is supported by grants in aid received to the tune of Rs. 76.68 Cr. in FY 25 by the state government. The board maintains DSRA for one quarter of debt obligation against the Acuite rated facilities providing additional comfort towards the lenders. Acuite believes that liquidity position of the board will improve in near to medium term on the account of fixed revenue stream of Special ID fees.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials :

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Net Receipts	Rs. Cr.	437.81	298.98
SAT	Rs. Cr.	251.86	-915.63
SAT Margin	(%)	57.53	-306.26
Total Debt/Corpus Fund	Times	-2.01	-1.36
SBDIT/Interest	Times	2.67	-6.17

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>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- State Government Ratings : <https://www.acuite.in/view-rating-criteria-26.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.54	Simple	ACUITE BBB- Stable Assigned
National Bank for Agriculture and Rural Development (NABARD)	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2029	528.13	Simple	ACUITE BBB- Stable Assigned
H D F C Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2029	77.15	Simple	ACUITE BBB- Stable Assigned

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company Name
1	Punjab Infrastructure Development Board
2	Government of Punjab

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About Acuité Ratings & Research

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