

December 02, 2025

P C Patel Infra Private Limited: Ratings upgraded to [ICRA]A (Stable)/[ICRA]A1; removed from Issuer Not-Cooperating category and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based - Cash credit	15.00	15.00	[ICRA]A (Stable); upgraded from [ICRA]BB+ (Stable); ISSUER NOT COOPERATING and removed from Issuer Not-Cooperating category
Short term – Non-fund based - Bank guarantee	135.00	235.00	[ICRA]A1; upgraded from [ICRA]A4+; ISSUER NOT COOPERATING and removed from Issuer Not-Cooperating category; assigned for enhanced amount
Long term – Fund based - Term loan	100.34	165.69	[ICRA]A (Stable); upgraded from [ICRA]BB+ (Stable); ISSUER NOT COOPERATING and removed from Issuer Not-Cooperating category; assigned for enhanced amount
Long Term/Short term - Unallocated limits	105.66	34.31	[ICRA]A (Stable)/[ICRA]A1; upgraded from [ICRA]BB+ (Stable); ISSUER NOT COOPERATING/[ICRA]A4+; ISSUER NOT COOPERATING and removed from Issuer Not-Cooperating category
Total	356.00	450.00	

*Instrument details are provided in Annexure I

Rationale

The ratings for P.C. Patel Infra Pvt Ltd (PCPIPL) factor in the demonstrated track record of the promoters in the mining sector spanning over the last 30 years, which enabled them to build established credentials in the contract coal mining industry. Over the last decade, the company’s track record has enabled it to increase its scale of operations from a top line of around Rs. 150 crores in FY2014 to more than Rs. 1,460 crores in FY2025 while maintaining an OPBDITA margin above 25%. This reflects the company’s execution capabilities as well as its ability to effectively manage its cost structure. ICRA notes that the management’s policy to operate with its own fleet of mining equipment, and its technical expertise in operating and maintaining the fleet in-house enable the company to reduce the asset downtime and improve the throughput per asset, leading to sizeable cost savings.

The company’s strong operating performance has translated into a healthy financial risk profile, which is reflected in the comfortable leverage levels and coverage indicators. PCPIPL operates as a contract miner primarily for reputed public sector entities and a limited number of reputed private sector clients with strong financial profiles, which largely reduces the counterparty credit risks associated in this line of business. Additionally, with a healthy order pipeline of ~Rs. 6,135 crore outstanding as on August 31, 2025, the company has medium-term revenue visibility and steady cash flows, enabling a comfortable position for timely meeting its scheduled debt service obligations.

The ratings are, however, tempered by the geological and regulatory risks associated with operating in the mining sector coupled with the tender-based nature and intense competition of the contract mining business, which limit the scope for margin improvement to a large extent. The ratings also consider the high project/client concentration risks with the top five projects/clients constituting 67-76% of the outstanding orders as on August 31, 2025. Besides, the company is exposed to project execution risks as 59% of its order book was in the early stages of execution as on August 31, 2025 (less than 25% of

the order value being executed). Any slowdown in the execution of these major projects would adversely impact the company's revenue stream in the near term. Additionally, the company's profit margins are exposed to any sharp variability in input costs, especially for consumables, and employees. Further, given the capital-intensive nature of operations and sizeable capital charges, any significant decline in the scale of operations, going forward, can have an adverse impact on the company's bottom line.

The Stable outlook on PCPIPL's long-term rating reflects ICRA's opinion that the company's strong client profile, sizeable revenue visibility and prudent capital deployment plans are expected to keep the earnings and credit metrics healthy, going forward.

Key rating drivers and their description

Credit strengths

Established track record in contract mining business – The promoter family has three decades of experience in the mining industry. Their technical expertise in mining operations has enabled them to build established credentials in the contract mining industry. This is evident from the presence of a well-established clientele from both public as well as private sectors. ICRA expects PCPIPL to continue benefiting from its established operational track record and healthy order book position, which augurs well for its business prospects.

Strong operating performance, leading to a healthy financial risk profile – PCPIPL's operations are characterised by a steadily growing scale and healthy operating margins, improving to 29.0% in FY2025 from 26.1% in FY2024, which remain superior to the industry average. The strong cash flow from operations over the years has enabled the company to maintain a healthy financial risk profile, characterised by a total debt to OPBDITA of 1.39 times in FY2025 against 1.48 times in FY2024. The company's coverage indicators have remained healthy with an interest coverage of 7.39 times in FY2025 and debt service coverage ratio (DSCR) of 1.91 times in FY2025. While the revenue growth is expected to moderate, a sizeable unexecuted order pipeline provides earnings visibility in the medium term, which is expected to keep the leverage and coverage indicators healthy.

Reputed client profile, leading to low counterparty risk – The company's order book consists of various large clients, including well-established government entities like Northern Coalfields Ltd. (a subsidiary of Coal India Ltd), NTPC Ltd., GMDC Ltd., Singreni Collieries Coalfields Ltd. and Gujarat Industries Power Company Ltd. in addition to private sector clients like Jindal Steel & Power Ltd. (JSPL) and South West Mining Ltd. (a JSW Group entity). The strong credit profiles of the customers mitigate the counterparty credit risks by ensuring timely realisation of payments, as reflected in the debtor days remaining in the range of 50-65 days over the last several years.

Healthy order book position provides medium-term revenue visibility – The company's order book has witnessed significant growth over the last few years. The trailing book-to-bill ratio, considering the current order book as on August 31, 2025, stood at 4.2 times based on the operating income for FY2025, which provides a line of sight on the company's future earnings stream over the medium term.

Credit challenges

Exposure to regulatory and geological risks arising out of presence in the mining industry – PCPIPL's exposure to regulatory risks is high as mining operations remain exposed to such risk, which can lead to potential disruption in operations in case of any violation of statutory norms by the lessee. Moreover, the mining belts are prone to law-and-order problems, which may result in unforeseen delays in project execution. While the responsibility of getting regulatory clearances lies with the mining leaseholder, it may impact the revenues of contract miners, like PCPIPL, if the projects get delayed. Also, PCPIPL is exposed to geological risks which stem out from possibility of inferior geological terrain (for example the stripping ratio) of the mine, leading to the scope/quantity of work increasing significantly than the estimates made while bidding. This can have an adverse impact on the margin profile of a particular project.

Exposed to significant client concentration and project execution risks – There is a high project/client concentration risk, with the top five projects contributing 67% to the outstanding orders as on August 31, 2025. Therefore, any slowdown in the execution of these major projects or local disturbances in the region of operations could affect the company's revenues. Historically, PCPIPL derives 75-80% of its revenues from a handful of clients, exposing the company to significant client concentration risks. The company also remains exposed to project execution risks with 59% of the order book as on August 31, 2025, in the early stages of execution (less than 25% of order value being executed). The entity has recently been awarded a large contract from South Eastern Coalfields in collaboration with PCP MIL Mining Private Limited. Any large investment in the same impacting the liquidity would be a key monitorable. However, the entity does not envisage any major capital expenditure in the same for the next two years.

Tender-based nature of contracts and high competitive intensity limits scope for margin expansion – PCPIPL procures orders through tenders. Entities that meet the technical qualification criteria qualify for financial bidding, and subsequently the contract is awarded to the lowest (L1) bidder. The scope of margin improvement is limited due to the tender-based nature of the business. The industry is also characterised by low entry barriers and intense competition, which keep the margins of the industry players under check. ICRA believes that the key avenue for PCPIPL's margin improvement lies in improving its operating efficiency.

Capital-intensive operations coupled with exposure to margin volatility due to fluctuation in input costs – The operations of PCPIPL are capital-intensive in nature due to the requirement of upfront machinery purchase to meet the requirement for every new project secured before the onset of cash flows from the same. Given the sizeable capital charges, any significant decline in the scale of operations, going forward, can have an adverse impact on the company's bottom line. Additionally, PCPIPL's margins are susceptible to the volatility in input costs, which include employee cost, power and fuel cost, and the cost of consumables and spares. Any revision in the wage law and/or any significant increase in the prices of consumables can adversely impact the operating profit margins of the company. However, the escalation mechanism in the contract, which are primarily linked to the WPI index, helps mitigate the cost volatility to an extent.

Liquidity position: Strong

PCPIPL's liquidity position remains strong with a track record of positive cash flow from operations over the years. Further, the annual cash flow from operations is expected to be healthy at over Rs. 300 crores, going forward, which would be sufficient to cover its debt repayments in addition to the fixed assets. Further, the company had cash and bank balances worth Rs. 434.04 crore as on August 31, 2025, along with the cushion in working capital facilities, which remain largely unutilised.

Rating sensitivities

Positive factors – The ratings may be upgraded if PCPIPL is able to significantly increase its scale while maintaining healthy profitability and is able to reduce its borrowing levels, leading to an improvement in the liquidity and debt coverage metrics.

Negative factors – Pressure on PCPIPL's ratings could arise if there are delays in the execution of newly awarded projects, a stretch in the working capital cycle and/or a significant increase in the debt levels, resulting in a deterioration of the coverage metrics and liquidity position. A specific metric for downgrade would be a deterioration of TOL/TNW above 1.2 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Mining
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

P.C. Patel Infra Private Limited (PCPIPL), erstwhile known as P.C. Patel & Company, was established in 1994 as a partnership firm under the leadership of Mr. Prabhulal M. Dholu. The company operates as a mine developer and operator (MDO) and a contract miner for various public sector entities, including Gujarat Mineral Development Corporation Ltd (GMDC), Northern Coalfields Ltd, NTPC Ltd, Singreni Collieries Coalfields Ltd, Gujarat Industries Power Company Ltd in addition to the Chhattisgarh coal mine for Jindal Steel & Power Ltd. PCPIPL's operations span across multiple geographies in India.

The company owns a large fleet of heavy earth moving machineries, including shovels of different capacities, dumpers, dozers and graders etc. It has a fleet of 61 dozers, 189 excavators, 50 graders and wheel loaders, three surface miners, 696 tippers and 261 miscellaneous heavy & light motor vehicles.

Key financial indicators (audited)

PCPIPL (Standalone)	FY2024	FY2025
Operating income	1441.75	1461.76
PAT	142.67	149.15
OPBDIT/OI	26.1%	29.0%
PAT/OI	9.9%	10.2%
Total outside liabilities/Tangible net worth (times)	1.00	0.82
Total debt/OPBDIT (times)	1.48	1.39
Interest coverage (times)	8.50	7.39

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA:

Agency name	Ratings	PR date
Brickworks	BWR BB-/Stable/BWR A4; continues to be in ISSUER NOT COOPERATING* category/downgraded	December 23, 2024

Source: Brickworks; * Issuer did not cooperate; based on best available information.

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2026)	Chronology of rating history for the past 3 years							
		Amount rated (Rs. crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	15.00	Dec 02, 2025	[ICRA]A (Stable)	Feb 25, 2025	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	Nov 28, 2023	[ICRA] A- (Stable)	-	-
							Nov 21, 2023	[ICRA] A- (Stable)	-	-
Bank guarantee	Short term	235.00	Dec 02, 2025	[ICRA]A1	Feb 25, 2025	[ICRA]A4+ ISSUER NOT COOPERATING	Nov 28, 2023	[ICRA] A2+	-	-
							Nov 21, 2023	[ICRA] A2+	-	-
Term loan	Long term	165.69	Dec 02, 2025	[ICRA]A (Stable)	Feb 25, 2025	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	Nov 28, 2023	[ICRA] A- (Stable)	-	-
Unallocated limits	Long/Short term	34.31	Dec 02, 2025	[ICRA]A (Stable)/ [ICRA]A1	Feb 25, 2025	[ICRA]BB+ (Stable)/ [ICRA] A4+ ISSUER NOT COOPERATING	Nov 28, 2023	[ICRA] A- (Stable)/ [ICRA] A2+	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based - Cash credit	Simple
Short term – Non-fund based - Bank guarantee	Very Simple
Long term – Fund based - Term loan	Simple
Long term/Short term - Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	15.00	[ICRA]A (Stable)
NA	Bank guarantee	NA	NA	NA	235.00	[ICRA]A1
NA	Term loan	FY2023	NA	FY2029	165.69	[ICRA]A (Stable)
NA	Unallocated limits	NA	NA	NA	34.31	[ICRA]A (Stable)/[ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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