Press Release
PAWAR PATKAR CONSTRUCTIONS PRIVATE LIMITED
September 01, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	110.00	ACUITE A- | Stable | Assigned	-
Bank Loan Ratings	90.00	-	ACUITE A2+ | Assigned
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale
Acuité has assigned the long-term rating of '**ACUITE A-' (read as ACUITE A minus)** and short-term rating of '**ACUITE A2+' (read as ACUITE A two plus)**on the Rs.200.00 Cr. bank facilities of Pawar Patkar Constructions Private Limited (PPCPL). The outlook is **'Stable'**.

Rationale for rating assigned
The rating assigned factors in the established presence of the company in the engineering procurement & construction (EPC) industry with continued growth in the operating revenues at stable margins over the past two years. Further, the rating also takes into account the current outstanding order book of ~Rs.1,433.96 crore as on June 30, 2025, provides a sound revenue visibility (~2.59 times FY25 revenue) over the medium term. Furthermore, rating factors the healthy financial risk profile of the company with low gearing and comfortable debt protection metrics. The rating also considers the moderate working capital operations marked with a gross current asset days (GCA) of 106 days in FY25(Prov.). However, company being a sponsor to various projects has investments in and extended loans & advances to group companies (~27% of FY25(Prov.) net worth) and any significant outflows here may impact the liquidity of the company. Also, the rating continues to remain prone to geographical concentration risk as all the current projects are in the state of Maharashtra. Further, the rating is also constrained by the tender based nature of operations and competitive industry.

About the Company
Established in 1991 as a partnership firm and later converted to private limited company in 2006, PPPCPL is EPC company engaged in government-registered civil engineering work having specialization in the construction of roads, bridges, buildings, and infrastructure development particularly in the state of Maharashtra. The current directors of the company are Mr. Sanjay K. Patkar and Mr. Kailash D. Pawar.

Unsupported Rating
Not Applicable

Analytical Approach
Acuité has considered a standalone approach while assessing the business and financial risk profile of PPCPL

Key Rating Drivers

Strengths
Established track record of operations
PPCPL has an established track record of over three decades in the industry. The company is a Class 1A Grade licensed civil contractor, issued by the Maharashtra state department. The company has worked with various key Maharashtra state government departments such Maharashtra Industrial Development Corporation (MIDC), Maharashtra Housing Development Corporation Limited (MHDCL), Maharashtra State Police Housing & Welfare Corporation Ltd. (MSHPC), etc. Further, the promoter Mr. Sanjay K. Patkar and Mr. Kailash D. Pawar have an

experience spanning over three decades as an EPC contractor which has helped PPCPL in increasing its scale of operations over the years.

Growing scale of operations supported by healthy orderbook
The revenues of the company have grown to Rs.552.35 crore in FY25 (Prov.) as against Rs.500.35 crore in FY24 and Rs.235.81 crore in FY23, on back of growth in order book and timely execution of the same. Further, the current outstanding orderbook of Rs 1,443.96 Cr. along with L1 orders of Rs.268.65 crore as on June 30th, 2025, provides a sound and improving revenue visibility over the medium term. The margins have also improved from 7.9% in FY24 to 8.4% in FY25 (Prov.) and expected to remain at similar range over the medium term.
Therefore, the continued growth in order bookings and timely execution of orders at steady margins shall be a key rating sensitivity.

Healthy financial risk profile
The financial risk profile of the company is healthy, marked by healthy net worth, low gearing, and strong debt protection metrics. The net worth of the company stood healthy at Rs.162.38 crore as on March 31, 2025 (Prov.) increasing from Rs.123.64 crore as on March 31, 2024 majorly due to accretion of profits to reserves and an equity infusion of Rs. 5 crore. Therefore, while both long term machinery debt & short term working debt increased in FY25, the gearing ratio remained below unity at 0.16 times as of March 31, 2025 (Prov.) (0.08 times as of March 31, 2024) with a healthy TOL/TNW at 1.02 times as on March 31, 2025 (Prov.) (0.7 times as on March 31, 2024. The debt protection metrics also remained comfortable with debt service coverage ratio and interest coverage ratio standing at 4.79 times and 13.2 times respectively as on 31st March 2025 (Prov.).
Acuite expects the financial risk profile of the company to remain healthy in the absence of higher and improving cash accruals.

Moderate working capital operations
The company's working capital operations remains moderate, as indicated by gross current asset (GCA) days of 106 days as of March 31, 2025(Prov.) (55 days as of March 31, 2024). This increase in GCA is primarily because of rise in the debtors and inventory days owing to high year end billing & purchases. However, the debtor days remain in the range of 30-40 days. Also, the company receives support from the creditors as it has made back-to-back arrangements with its suppliers regarding billing milestones of projects.
Acuite believes that working capital operations of the company may continue to remain moderate considering the nature of business.

Weaknesses

Significant investments in group companies
The company currently has invested Rs.28.65 crores in various subsidiaries and joint ventures (JV) and also provided loans and advances of Rs.16.78 crore to its JV. Nearly 27% of the FY25 net worth (~33% in FY24) is invested in these group companies. Therefore, any further investments or loans to any group companies thereby impacting the company’s liquidity shall remain a key monitorable.

Tender based nature of operations, competitive industry and geographical concentration
The company’s revenue is largely derived from various state government authorities, particularly in the state of Maharashtra accounting for more than 80% of FY25 revenue. Further, the current outstanding orderbook consist 100% towards state of the Maharashtra. This structure increases exposure to policy shifts, leading to potential project delays within the state, which may affect the revenue flow. Also, PPCPL is engaged in bidding for tenders in the civil construction segment, which is marked by the presence of several mid- to large-sized players; hence, the company faces intense competition from other players in the sector. The risk become times more pronounced as tendering is based on a minimum amount of bidding for contracts. The company acquires tenders at competitive prices, which may affect its profitability. However, the risk is mitigated to some extent, given the promoter's experience of more than three decades in the industry, which has enabled the company to procure tenders on a regular basis.

Rating Sensitivities

- Strong and diversified order book growth & timely completion of existing orders leading to improvement in revenue and stable margins
- Maintenance of the financial risk profile at current levels
- Any significant increase in exposure to group companies
- Any stretch in the working capital levels affecting the liquidity profile

Liquidity Position

Strong
The liquidity position of the company is strong marked healthy net cash accruals (NCA) of Rs.35.87 crore as against repayment obligations of Rs.4.4 crore in FY25 (Prov.). Further going ahead, the NCA’s are expected to remain sufficient in the range of Rs.40-50 crore against the estimated repayment obligations of less than Rs.6

crore per year in the near term. The current ratio of the company stood at 1.12 times as on March 31, 2025 (Prov.). Further, the company enhanced its working capital limits by Rs.40 crore w.e.f June 2025 to support its operations. The average fund-based limit utilizations stood moderate at 75.3 percent and non-fund-based limit utilization stood moderately high at 86.92 percent for the last 12 months ended June 30, 2025. Moreover, the company has healthy cash and bank balance of Rs.15.36 crore along with lien marked deposits worth Rs. 20.11 crore as on March 31, 2025 (Prov.).
Acuite believes that the liquidity position of the company will continue to remain strong on account of healthy cash accruals against the low debt repayment obligations for the company.

Outlook - Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	552.35	500.35
PAT	Rs. Cr.	32.95	27.67
PAT Margin	(%)	5.96	5.53
Total Debt/Tangible Net Worth	Times	0.16	0.08
PBDIT/Interest	Times	13.20	18.79

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. 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
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A2+ | Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A2+ | Assigned
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A- | Stable | Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A- | Stable | Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	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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