

Prakash Electrical Engineering Corporation

December 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	14.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	55.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.00	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Prakash Electrical Engineering Corporation (PEEC) to monitor the rating vide e-mail communications dated December 05, 2025, December 04, 2025, November 27, 2025, November 21, 2025, November 18, 2025, November 11, 2025, October 29, 2025 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. The ratings on PEEC's bank facilities will now be denoted as '**CARE BB-; Stable; ISSUER NOT COOPERATING/ CARE A4; ISSUER NOT COOPERATING**'.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of PEEC are revised on account of non-availability of requisite information. Further, the ratings to the bank facilities of PEEC are constrained by modest scale of operations and customer concentration risk. The ratings further continue to be constrained by its presence in a competitive and fragmented industry landscape along with tender driven nature of operations, exposure to fluctuating raw material prices and proprietorship nature of constitution. The ratings, however, derive strength from established track record of operations along with experienced promoters, healthy profitability in recent years and comfortable order book position.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating on December 06, 2024 the following were the rating strengths and weaknesses:

Key weaknesses

Modest scale of operations, albeit decline in FY24; albeit healthy orderbook provides revenue visibility

The TOI in FY24 ((FY refers to the period from April 01 to March 31) declined by 36.43% to Rs. 119.91 crore from Rs. 188.62 crore in FY23. In many contracts physical work had been completed during Q4FY24, but the billing was done in subsequent quarter and was ultimately reported in the next fiscal year. Also, the management has been selectively bidding only for high margin contracts such as extra high voltage (EHV) lines which has constrained the revenue for FY24. Unexecuted orderbook to sales (FY24) ratio of 5.10x indicates revenue visibility in the short to medium term.

Customer concentration risk coupled with geographical concentration risk

During FY24, the top 8 customers contributed to around 82% of the total TOI compared to 44% in FY23. Dependence on a select customers exposes PEEC to customer concentration risk and impacts its predictability of revenue for future periods. Also, the enterprise operates in Maharashtra only with majority of orders coming from a single customer/authority i.e., Maharashtra State

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Electricity Transmission Company Limited. The customer concentration makes it vulnerable to the risk of a slowdown in the awarding of tenders and orders from this client.

Proprietorship constitution of the entity and low net worth base

PEEC is a proprietorship concern promoted by Mr. Prakash Deshmukh. Being a proprietor concern, it carries the inherent risk of withdrawal of capital by the proprietor at the time of personal contingency. In FY24, the net worth of PEEC stood at Rs. 38.86 crore which impacts the entity's ability to invest in growth opportunity and constrains its financial flexibility.

Intensely competitive and tender-driven nature of business

PEEC's business is tender-driven, which is characterized by intense competition resulting in reduced bargaining power to secure favourable terms of contract. The growth of business depends entirely upon the enterprise's ability to successfully bid for tenders and emerge as the lowest bidder.

Exposed to raw material price fluctuation risk

Major raw materials used by the firm are critical electrical equipment such as Power transformers, safety equipment such as circuit breakers, switches, conductors etc. along with steel and cable wire. Raw material cost comprised of 45% of total costs in FY24. The other raw material required for the projects are bought-out items sourced from various indigenous suppliers approved by the contract awarding authorities based on project requirements. The firm does not enter into any long-term contracts with the suppliers. Although the firm has a price escalation clause in contracts, modest size of operations and presence in a competitive business environment with limited bargaining power with customers limits the ability of the firm to pass on any increase in raw material costs for the orders under execution.

Key strengths

Long track record of operations and experienced promoter

PEEC has a track record of over two decades in the industry and has strong roots in the electrical equipment business. The proprietor of the firm, Mr. Prakash Deshmukh Dadasaheb, has three decades of industry experience which has helped him to gain an adequate acumen about the business which aids in smooth operations of PEEC. Mr. Prakash Deshmukh has diversified into the hotel industry in 2009 and cement block manufacturing industry in 2023 operating as a sole proprietor under the names of 'Hotel Atithi' and 'P. D. Infra' respectively. Hotel Atithi is a chain hotel with three locations viz. Chiplun, Panvel, and Ganpatipule. P.D. Infra has a manufacturing capacity of 70-80 m3.

Improvement in profitability

There is improvement in PBILDT margins over the past two years. PBILDT margins in FY24 stood at 18.49% vis-à-vis 18.99% in FY23. With the past 5-year ending FY24 average being 10.91%. The improvement in PBILDT margins is largely owing to executing EHV transmission line contracts which are technical in nature and has helped the company in improving their profitability. Going forward, sustainability of these margins in the near term remains key monitorable.

Applicable Criteria:

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Definition of Default](#)

[Services Sector Companies](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

About the Firm and Industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

PEEC is a proprietorship concern established in the year 1998 by Mr. Prakash Dadasaheb Deshmukh. The firm is registered as a Class-A Electrical Contractor by PWD (Public Works Department) in Maharashtra. The enterprise undertakes turnkey projects, supply, installation, testing and commissioning (SITC) of high tension and low tension (HT/LT) lines, transformers, electric substations, house wiring, industrial wiring etc.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	188.62	119.91
PBILDT	35.83	22.18
PAT	34.24	18.36
Overall gearing (times)	0.50	0.92
Interest coverage (times)	28.35	6.50

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Annexure-2

Covenants of rated instruments/facilities: Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	14.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	55.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC		-	-	-	0.50	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Working Capital Limits		-	-	-	0.50	CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	14.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (06-Dec-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (08-Sep-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (08-Sep-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	55.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (06-Dec-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (08-Sep-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (08-Sep-22)
3	Non-fund-based - ST-ILC/FLC	ST	0.50	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (06-Dec-24)	-	-
4	Non-fund-based - ST-Working Capital Limits	ST	0.50	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (06-Dec-24)	-	-

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple
3	Non-fund-based - ST-ILC/FLC	Simple
4	Non-fund-based - ST-Working Capital Limits	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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