

P N Dewalkar Construction

December 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	8.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	17.00	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 & Key Rating Drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from P N Dewalkar Construction (PNDC) to monitor the rating vide e-mail communications dated November 03, 2025 and November 11, 2025, November 18, 2025, December 01, 2025, December 03, 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 PNDC'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 PNDC are revised on account of non-availability of requisite information. Further, the ratings remained constrained by its modest scale of operations, customer and supplier concentration risk, intensely competitive industry landscape owing to its fragmented nature and tender driven nature of operations, and partnership nature of constitution. The ratings, however, derive strength from the experience of the promoters, improvement in profitability in FY24 (FY refers to the period from April 01 to March 31) and comfortable capital structure.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on December 12, 2024 the following were the rating strengths and weaknesses.

Key weaknesses

Modest scale of operations; albeit comfortable order book position

During FY24, the TOI of the firm stood at Rs. 46.45 crore, a slight improvement from FY23 at Rs. 45.60 crore. The increase of 186 bps is owing to sustained work order flow in FY24. The unexecuted orderbook of the firm stood at Rs. 97.02 crore as on October 31, 2024. The order book-to-sales ratio (FY24) stands at 2.09x which provides revenue visibility from near to medium term. It is to be noted that owing to pending approvals and clearances from the government there are execution delays in the current orderbook. Majority of the orderbook is concentrated in one state, i.e. Maharashtra.

Customer and supplier concentration risk

The firm is a contractor with the Public Works Department (PWD), Maharashtra. PNDC executes contracts of construction, maintenance, and improvement of rural roads, construction of government buildings, sewage tanks, canals etc., primarily in the state of Maharashtra. Reliance on select customers exposes the firm to concentration risk which could potentially impact its bargaining power to secure favourable trading terms. In FY24, the top five clients contributed approximately 83% of total revenue which was approximately the same in FY23.

The firm's top five suppliers accounted for roughly 59% of total purchases in FY24 compared to 67% in FY23. Concentration of suppliers exposes the firm to service disruptions and price hikes. Diversification of supplier base and of its clientele remains critical for the firm's credit profile.

Intensely competitive industry landscape owing to its fragmented nature and tender-driven nature of operations

The construction industry is fragmented in nature with a large number of small and medium scale players present at regional level. This coupled with the tender-driven nature of contracts poses huge competition and puts pressure on the profit margins

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

of the participants. PNDC is a regional player with civil and structural works contracts primarily concentrated towards government entities. Furthermore, PNDC faces fierce competition from other players for new orders.

Constitution as partnership firm

Being a partnership firm, PNDC has inherent risk of withdrawal of partner's capital at the time of personal contingency. It restricts access to external borrowings where net worth and partners' creditworthiness are the key factors affecting credit decision of the lender. Hence, limited funding avenues and limited financial flexibility restricts growth in the firm's scale of operations.

Key strengths

Experienced promoters

The partners of the firm have over 3-4 decades of experience in the construction industry. Mr. Subhash Dewalkar, partner, has a degree in engineering and has been working in the industry since 1986. He overlooks civil works contracts largely from the Public Works Department (PWD). Mr. Prakash Dewalkar, partner, has a master's degree in commerce, and has been involved in this industry since 1982. He overlooks the irrigation works contracts.

Improvement in profitability margin

PBILDT margins improved 133 bps in FY24 to 10.23% compared to 8.90% in FY23. The improvement in margins is owing to execution of higher margin yielding contracts. The past three-year PBILDT margin average is 9.54%.

Comfortable capital structure

The firm's capital structure remains comfortable with improvement in overall gearing ratio to 1.00x as of March 31, 2024, compared to 1.27x as on March 31, 2023. The firm avails extended credit period from its suppliers resulting in TOL/TNW of 2.20x as on March 31, 2024 (PY: 2.77x). Going forward, timely payment to creditors and improvement in TOL/TNW remain key monitorable from credit perspective.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

PNDC is Nagpur-based partnership firm formed in October 2005 by Mr. Subhash Dewalkar and Mr Prakash Dewalkar. The firm is a contractor with Public Works Department (PWD), Maharashtra and is engaged in the construction of government buildings, canals, sewage tanks etc. The firm is also engaged in the construction, maintenance, improvement and widening of roads in rural area of Maharashtra under Pradhan Mantri Gram Sadak Yojna (PMGSY) for PWD, Nagpur. Further, the firm also gives contracts on sub-contract basis.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	45.60	46.45	17.22
PBILDT	4.06	4.75	-
PAT	2.50	2.60	-
Overall gearing (times)	1.27	1.00	-
Interest coverage (times)	3.92	3.29	-

A: Audited; UA: Unaudited; 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 instrument / facility: 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-Bank Overdraft		-	-	-	8.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	17.00	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-Bank Overdraft	LT	8.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (12-Dec-24)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (15-Sep-23)	1)CARE B; Stable; ISSUER NOT COOPERATING* (02-Aug-22)
2	Non-fund-based - ST-Bank Guarantee	ST	17.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (12-Dec-24)	1)CARE A4; ISSUER NOT COOPERATING* (15-Sep-23)	1)CARE A4; ISSUER NOT COOPERATING* (02-Aug-22)

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

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Non-fund-based - ST-Bank Guarantee	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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About us:

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