



## Press Release

**J R Bhalerao and Company**

**August 07, 2025**

### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Cash Credit	20.00 (enhanced from Rs. 12.00 crore)	IVR BBB-/ Stable <b>(IVR Triple B minus with Stable Outlook)</b>	IVR BBB-/ Stable <b>(IVR Triple B minus with Stable Outlook)</b>	Rating reaffirmed	<a href="#">Simple</a>
Long Term Bank Facilities – Term Loan	-	Withdrawn	IVR BBB-/ Stable <b>(IVR Triple B minus with Stable Outlook)</b>	Rating Withdrawn	<a href="#">Simple</a>
Short Term Bank Facilities	4.00 (enhanced from Rs. 3.00 crore)	IVR A3 <b>(IVR A Three)</b>	IVR A3 <b>(IVR A Three)</b>	Rating reaffirmed	<a href="#">Simple</a>
Proposed Long Term Bank Facilities	4.00 (reduced from Rs.12.00 crore)	IVR BBB-/ Stable <b>(IVR Triple B minus with Stable Outlook)</b>	IVR BBB-/ Stable <b>(IVR Triple B minus with Stable Outlook)</b>	Rating reaffirmed	<a href="#">Simple</a>
Proposed Short Term Bank Facilities	1.57 (reduced from Rs.2.57 crore)	IVR A3 <b>(IVR A Three)</b>	IVR A3 <b>(IVR A Three)</b>	Rating reaffirmed	<a href="#">Simple</a>
<b>Total</b>	<b>29.57</b> <b>(Rupees Twenty-Nine crore and Fifty-Seven lakh only)</b>				

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

### Detailed Rationale

Infomerics has withdrawn the outstanding ratings of 'IVR BBB-/Stable (IVR Triple B minus with Stable outlook)' assigned to the Long-Term Bank Facilities – Term Loan of J R Bhalerao and Company (JRB) with immediate effect. The above action has been taken at the request of JRB and 'No Due Certificate' received from its Lender. The rating is withdrawn in accordance with Infomerics' policy on withdrawal.

Infomerics Ratings has reaffirmed its rating to the bank facilities of J R Bhalerao and Company (JRB) which derive strength from experienced management, healthy order book from reputed clientele and moderate scale of operations. The rating strengths are however, constrained by dependence on strategic partnerships & execution risks amidst fragmented industry



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landscape, susceptibility of operating margin to volatile input prices and constitution of the entity.

The outlook is stable in view of the experienced management and moderate order book.

### **Key Rating Sensitivities:**

#### **Upward Factors:**

- Sustained improvement in the total operating income.
- Sustained improvement in operating profits leading to improvement in cash accruals and liquidity position.

#### **Downward Factors:**

- Significant delays in ongoing projects adversely impacting operating performance.
- Stretch in working capital cycle impacting liquidity of the firm.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths:**

##### **Experienced management**

The top management consists of the two partners, Mr. Mahesh and Mr. Yogesh Bhalerao, having extensive experience of 18+ years in executing civil construction, installation, commissioning, operation and maintenance projects like water supply schemes, wastewater treatment plants and water distribution schemes. The management also includes Vishveshwar Tigare, Vinay Chalisgaonkar and Swapnali Joshi, who also have work experience of 20+ years in civil construction and are handling day-to-day operations of the business.

##### **Healthy order book from reputed clientele:**

The firm has an unexecuted order book position as on March 31, 2025, of Rs. 1297.70 crore that is to be executed within a span of next 18-21 months, which is around 7.58x the current



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revenue of ~Rs. 171.29 crore of FY25 (Prov.) (refers to the period from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025) thus providing revenue visibility in near to medium term. In FY25, the firm has received 4 orders worth Rs. 676.54 crores from Nagar Panchayat Chakur, Wai Nagarparishad and other established EPC contractor under Maharashtra Suvarna Jayanti Nagarotthan Mahabhiyan.

### **Moderate scale of operations**

Total operating income (TOI) has witnessed a y-o-y growth of ~28% in FY24 (refers to the period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024) from Rs. 190.34 crore in FY23 (refers to the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023) to Rs. 243.55 crore in FY24 on the back of increased flow of orders & timely execution of the same. With growth in TOI, profit levels have also improved. Moreover, the EBITDA margin and PAT margin remained satisfactory at 9.72% and 5.31% respectively in FY24. However, in FY25 (Prov.) the firm has earned a revenue of Rs. 171.29 crore with an EBITDA and PAT margin at 12.15% and 6.02% respectively. The degrowth in firm's TOI in FY25(Prov.) is due to central and state government elections during the year impacting almost 4 months of revenue in FY25.

### **Key Rating Weaknesses:**

#### **Dependence on Strategic Partnerships and Execution Risks Amidst Fragmented Industry Landscape**

The firm is associated with established EPC contractors for sub-contracting various infrastructure related contract where the firm is procuring project tenders using net worth and technical credentials of them by paying a royalty of 2%-4%. This partnership has been instrumental in order acquisition, and the continued association with them will be crucial for securing future projects. The firm's improving capabilities and growing market presence are evidenced by the receipt of independent orders worth Rs. 115.08 crore in FY25 from Nagar Parishad Chakur and Nagar Parishad Wai, secured in its own name. This development reflects the strengthening of the firm's execution track record and the increasing confidence of public sector entities in its operational competence. Execution risks for newly awarded projects in a timely manner will be key to achieve growth in revenues and profits. The construction industry is highly fragmented in nature with presence of large number of unorganized players and a few large, organized players.



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### **Susceptibility of operating margin to volatile input prices**

The raw material & labour (including subcontracting) cost forms the majority chunk of the total cost of sales. As the raw material prices & labour (including sub-contracting) cost are volatile in nature, the profitability of the company is subject to fluctuation in raw material prices & labour cost, although the same risk has been mitigated to some extent with the presence of inherent price escalation clause added in the contracts. Raw material purchases account for more than 70% of the total cost, meaning any changes in input prices can significantly impact the company's profitability.

### **Constitution of the entity**

JRB, being a partnership firm is exposed to inherent risk of partners' capital being withdrawn at the time of personal contingency and firm being dissolved upon the death/ retirement/ insolvency of the partners. Further, partnership entities have restricted access to external borrowing, as credit worthiness of partners would be the key factors affecting credit decision for the lenders.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on withdrawal of ratings](#)

### **Liquidity –Adequate**

The liquidity profile of JRB is expected to remain adequate marked by its expected satisfactory cash accrual of more than ~Rs.15.00 crore for the next three years as against debt repayment obligation of ~Rs. 2.00 crore. Current ratio stood at 1.70x as on March 31, 2025 (Previous Year 1.82x as on March 31, 2024). The average utilization of working capital limit was 72.51% for 10 months ending March 2025 leaving sufficient room for liquidity.



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### About the Company

M/S J R Bhalerao & Company (JRB) is engaged in the field of construction and engineering services of various infrastructure services since 1984. The firm initially executed small civil work contracts with Pimpri Chinchwad Municipal Corporation and industrial projects in MIDC area of PCMC.

JRB has built various infrastructure developments projects in civil construction, installation, commissioning, operation and maintenance like water supply schemes, wastewater treatment plants and water distribution schemes. In addition to that, firm expanded into additional projects in civil engineering fields like lift irrigation schemes, road and bridge constructions. The firm is registered as civil contractor in various departments of Maharashtra State.

### **Financials (Standalone):**

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	243.55	171.29
EBITDA	23.68	20.81
PAT	12.94	10.32
Total Debt	23.17	28.29
Adjusted Tangible Net Worth (ATNW)	32.71	44.24
EBITDA Margin (%)	9.72	12.15
PAT Margin (%)	5.31	6.02
Overall Gearing Ratio on ATNW (x)	0.71	0.64
Interest Coverage (x)	10.81	7.23

\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil



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**Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
	PR Date				May 28, 2024		
1.	Long Term Fund Based Limits	Long Term	20.00	IVR BBB-/ Stable (IVR Triple B minus with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B minus with Stable Outlook)	-	-
2.	Short Term Non-Fund Based Limits	Short Term	4.00	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	-	-
3.	Proposed Long Term	Long Term	4.00	IVR BBB-/ Stable (IVR Triple B minus with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B minus with Stable Outlook)	-	-
4.	Proposed Short Term	Short Term	1.57	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)		

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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt





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instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	20.00	IVR BBB- /Stable
Term Loan	-	-	-	-	0.00	Withdrawn
Bank Guarantee	-	-	-	-	4.00	IVR A3
Proposed Cash Credit	-	-	-	-	4.00	IVR BBB- /Stable
Proposed Bank Guarantee	-	-	-	-	1.57	IVR A3



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**Annexure 2: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/Len-JR-Bhalerao-Company-7aug25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).