

## PJR Project Constructions Private Limited

February 27, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	10.00	CARE BB; Stable	Reaffirmed
Long-term / Short-term bank facilities	30.00	CARE BB; Stable / CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of PJR Project Constructions Private Limited (PJR) considers moderation in total operating income (TOI) in FY25 (A; Audited; FY refers to April 01 to March 31), moderate profitability margins, presence of slow moving orders, elongated operating cycle in FY25, however, improvement witnessed in 9MFY26 (UA), continued high reliance on sub-contractors for execution of orders, fragmented nature of construction sector with tender-based nature of operations & execution challenges and stretched liquidity.

Rating weaknesses are partially offset by improvement in TOI in 9MFY26 (UA), satisfactory order book position, experienced promoters with established track record of construction business, moderate capital structure with comfortable debt coverage ratio and stable industry outlook.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Consistent order book to sales position above 2x.
- Achieving TOI of ₹90 crore on sustainable basis.
- Operating margin of 10% and above on a sustainable basis.

#### Negative factors

- Delays in execution of orders beyond stipulated time frame and delay in receipt of collection of receivables from customers on a sustained basis.
- Deterioration in liquidity profile of the company.

**Analytical approach:** Standalone

#### Outlook: Stable

Stable outlook indicates that the entity will continue to benefit from extensive experience of promoters and management in the industry, which is expected to result in order inflow and steady realisations for executed works.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Decline in scale of operations in FY25 and moderate profitability margins

In FY25, with a decrease in scale of operations by ~17% to ₹45.75 crore. The company executed works, which was not billed, as reflected in increase in inventory work-in-progress (WIP), leading to decline in revenue. This was billed subsequently and recovered in H1FY26. Profitability in terms of absolute level decreased with profit before interest, lease rentals, depreciation and taxation (PBILDT) of ₹4.01 crore and profit after taxation (PAT) of ₹0.87 crore. PBILDT margin for PJR moderated slightly by 11 bps and stood at 8.77% in FY25 compared to 8.88% in FY24 due to increased sub-contracting expenses in FY25. PAT margin also declined by 42 bps to 1.89% in FY25 compared to 2.31% in FY24. For 9MFY26, PBILDT margin and PAT margin continued to stay in similar range and stood at 8.63% and 1.69% respectively.

### Elongated operating cycle for FY25, however, expected to be lower for FY26

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

The company's operating cycle elongated to 201 days in FY25 compared to 157 days in FY24, largely led by increase in inventory days to 182 days (PY: 133 days). The company had WIP inventory as of March 31, 2025, which was high as it was not billed as of account closing date. It was subsequently billed and revenue was recognised. Inventory work in progress as of December 31, 2025, stood at ~₹21 crore, which would be billed in Q4FY26.

#### **Fragmented nature of construction sector with tender-based nature of operations and execution challenges**

The infrastructure sector in India is highly fragmented and competitive with many small and mid-sized players. This and tendering process in order procurement, result in intense competition within the industry, fluctuating revenue, and restriction in profitability. Continued increase in execution challenges including delays in land acquisition, regulatory clearances, aggressive bidding, interest rate risk and delays in project due to environmental clearance are other external factors that affect the credit profile of industry players. All these are tender-based and revenues depend on the company's ability to bid successfully for these tenders. Profitability margins come under pressure because of competitive nature of the industry. However, the promoter's long industry experience of nearly five decades mitigates this risk to some extent.

#### **Continued high reliance on sub-contractors for execution of orders**

With increasing order book, the company's reliance on subcontractors continued at similar levels in FY25. PJR had given sub-contracting for execution of Visakhapatnam Port Trust and GVMC orders, which led to higher sub-contracting expenses to cost of sales. Given that orders from VPT are almost executed in full, reliance on sub-contracting is expected to gradually decrease.

#### **Key strengths**

##### **Experienced promoters with established track record of construction business**

The company is promoted by P Janakirama Raju (Director) who has an experience of 45 years in construction business. He is a special class contractor and qualified to category 2 contractor for EPC Packages in AP Government. The company is also promoted by Dr K S Vijaya Narasimha Raju (Director) and Dr K.V. Krishnam Raju (Managing Director), having over two decades of experience in the same line of business. The company has an established track record of over two decades in civil construction business.

##### **Improvement in total operating income in 9MFY26**

In 9MFY26, with continued execution of orders, PJR reported revenue of ₹52.58 crore which is ~15% over the revenue reported for full year FY25. With significant portion of revenue getting billed in Q4 of financial year, the company is expecting a revenue of ₹75.86 crore for full year FY26. For 9MFY26, PBILDT margin and PAT margin moderated to 8.63% and 1.79% respectively, despite higher total operating income reported.

##### **Satisfactory orderbook position, however, presence of few slow-moving orders**

As of December 31, 2025, the company had an active order book of ₹254.10 crore (PY: ₹179.66 crore). Despite having satisfactory order book as on December 31, 2025, PJR also has few slow-moving orders amounting to ₹51.61 crore, primarily because of issues with respect to land acquisition and clearances. Excluding slow moving orders, order book to sales ratio stood at 4.42x (PY: 2.25x) providing medium term revenue visibility. Orders are from state and central governments, which mitigate risk of delayed recoveries to a certain extent.

##### **Moderate capital structure and comfortable debt coverage ratio**

PJR's debt profile consists of long-term loans, mobilisation advances, cash credit, loans against FDR, NISC and loans from promoters/related parties. PJR's capital structure remains comfortable with projected overall gearing for FY26 to be 0.58x after deteriorating to 0.91x as of March 31, 2025 (PYE: 0.85x) with scheduled repayment of term loan and increase in unsecured loans. Debt coverage indicators marked by total debt to gross cash accruals (TD/GCA) deteriorated to 14.88x (10.68x in FY24) due to lower cash accruals. However, this is expected to be on higher side for FY26. Interest coverage ratio stood comfortable at 1.63x (1.92x in FY24).

##### **Stable industry outlook**

The India Construction Market size is estimated at US\$0.79 trillion in 2026 and is expected to reach US\$1.10 trillion by 2031, at a compound annual growth rate (CAGR) of 6.87% during the forecast period (2026-2031), underpinned by front-loaded public spending and deepening private capital pools. Accelerated highway contract awards, renewable-energy buildouts, and rapid data-centre expansion continue to anchor order books for large engineering, procurement, and construction (EPC) firms. On the demand side, Tier-2 and Tier-3 cities are capturing a larger slice of metro-rail and water-infrastructure allocations, broadening the geographic base of activity. Union Budget 2025-26 earmarked US\$133.3 billion for transport, logistics, and power corridors, a 10.2% year-on-year bump that aims to complete 70% of National Infrastructure Pipeline projects by 2028. Key sectors such as

energy, roads, urban development, and railways are expected to receive major investments, highlighting the sector's critical role in India's economic growth.

#### **Liquidity:** Stretched

The company's liquidity position is stretched marked by expected cash accruals of ₹2.36 crore against repayment obligation of ₹1.66 crore in FY26. Its bank limits of ₹7 crore were utilised at ~97% for 12 months ended December 2025. The entity has also availed non-fund-based limits of ₹30 crore with the utilisation at ₹20.73 crore (69%) as of December 31, 2025. While the current ratio was at 1.92x, its quick ratio moderated to 0.7x as on March 31, 2025. Free cash and bank balances improved to ₹1.79 crore as of March 31, 2025 (against ₹0.20 crore as on March 31, 2024). The company is planning to enhance its working capital limits by ₹3 crore. Promoters have infused unsecured loans to meet working capital requirements.

**Assumptions/Covenants:** Not applicable

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

#### **Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

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#### **About the company and industry**

##### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

PJR was incorporated in December 2001, with a registered office at Banjara Hills, Hyderabad, Telangana, and administrative office at Maddilapalem, Visakhapatnam, Andhra Pradesh. The company is promoted by P Janakirama Raju, KS Narasimha Raju and KV Krishnam Raju. The company has expertise in completing total turnkey construction project with flexibility to handle fast track turn around. This apart, it is engaged in execution of projects, including Irrigation projects, Roads & Buildings, Railway Embankments & Railway Siding works, Industrial Building & Infrastructure, Construction of Bridges & Culverts, and Land Development works, among others. PJR is a 'Special Class Contractor' for Irrigation projects in Telangana and Andhra Pradesh. The company has executed projects for Public Works Departments of Telangana and Andhra Pradesh, Electrical Dept. of Tamil Nadu and reputed private entities, including Rashtriya Ispat Nigam Limited, Bhabha Atomic Research Centre, Hindustan Petroleum Corporation Limited, and National Mineral Development Corporation, among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	55.08	45.75	52.58
PBILDT*	4.89	4.01	4.54
Profit after tax (PAT)	1.27	0.87	0.94
Overall gearing (x)	0.85	0.91	NA
Interest coverage (x)	1.92	1.63	1.78

A: Audited UA: Unaudited; NA: Not available; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of 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		-	-	-	10.00	CARE BB; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	30.00	CARE BB; Stable / CARE A4

**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	10.00	CARE BB; Stable	-	1)CARE BB; Stable (26-Feb-25)	1)CARE BB; Stable (28-Feb-24)	1)CARE BB-; Stable (20-Mar-23)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	30.00	CARE BB; Stable / CARE A4	-	1)CARE BB; Stable / CARE A4 (26-Feb-25)	1)CARE BB; Stable / CARE A4 (28-Feb-24)	1)CARE BB-; Stable / CARE A4 (20-Mar-23)

LT: Long 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

**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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