B M Chavan Infrastructure Private Limited

June 03, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	20.00	CARE B+; Stable / CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

The rating assigned to B.M. Chavan Infrastructure Private Limited factors in its modest scale of operations despite a growing revenue profile, moderate profitability, and limited track record in the infrastructure construction segment.

The rating is further constrained by its moderate capital structure, which witnessed deterioration in FY26 owing to an increase in debt levels, and the consequent moderation in debt coverage indicators. The company's business risk profile remains impacted by its complete dependence on subcontracted projects from a single counterparty, resulting in customer concentration risk and limited pricing flexibility. Further, the company has a moderate order book position, providing moderate revenue visibility relative to its scale of operations. The rating also considers the fragmented and competitive nature of the construction industry, exposure to execution-related risks, and susceptibility of profitability to fluctuations in input material prices.

The above constraints are partially offset by the extensive experience of the promoters in the infrastructure sector, demonstrated project execution capabilities, and the company's ability to scale up operations over a relatively short period. The company has reported consistent growth in operating income, improving profitability, and adequate cash accruals, which support its debt servicing ability. Further, the infrastructure sector continues to benefit from the government's sustained focus on infrastructure development, which is expected to support growth opportunities over the medium term.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the scale of operations marked by an improvement in total operating income (TOI) above ₹75.00 crore along with improvement in networth base.
- Improvement in profitability metrics marked by PBILDT margin of over 7.00% led by decline in dependence on subcontracting
- Improvement in Gross Current Asset days below 180 days on a sustained basis.

Negative factors

- Decline in TOI below ₹20.00 crore or decline in PBILDT margin below 4% on a sustained basis.
- Deterioration in leverage, with Total debt/GCA above 6.00x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that BMC shall continue to benefit from promoter's extensive experience.

Detailed description of key rating drivers:

Key weaknesses

Modest albeit growing scale of operations and moderate profitability

The company's scale of operations remains modest, as reflected by its total operating income and relatively small net worth base, thereby constraining its financial flexibility and ability to absorb business risks. Nevertheless, the company has witnessed a steady growth in operations, with total operating income growing at a CAGR of around 32% during FY24-FY26. Revenue increased by around 19% to ₹58.48 crore in FY26 (UA) from ₹48.93 crore in FY25, driven by higher execution of ongoing projects.

Profitability levels, though improved, remained moderate, with PBILDT margin improving to 5.64% in FY26 (UA) from 3.90% in FY25 and 4.18% in FY24, mainly owing to better absorption of fixed overheads with increase in scale of operations. PAT margin also improved to 5.35% in FY26 (UA) from 2.93% in FY25. Nevertheless, the profitability remains susceptible to execution efficiencies, input cost volatility, and intense competition inherent in the EPC/subcontracting business.

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

Moderate capital structure
The company's capital structure remained moderate, supported by improvement in net worth to ₹7.81 crore as on March 31, 2026, from ₹3.27 crore as on March 31, 2025, owing to steady accretion to reserves. However, the leverage levels moderated during FY26 due to increase in debt towards funding of working capital requirements and higher scale of operations, resulting in total debt increasing to ₹14.50 crore as on March 31, 2026, from ₹2.99 crore as on March 31, 2025. Consequently, the overall gearing deteriorated to 1.86x as on March 31, 2026 from 0.91x as on March 31, 2025.
Nevertheless, a sizeable portion of the debt comprises unsecured loans from promoters aggregating ₹7.31 crore, which are non-interest-bearing in nature. Excluding the same, the adjusted overall gearing stood at around 0.92x as on March 31, 2026.

Moderate order book with limited revenue visibility and high dependence on subcontracting from a single entity
The company had an unexecuted order book of ₹63.80 crore as on April 01, 2026, providing moderate near-term revenue visibility relative to its scale of operations. The order book largely comprises continuation of existing projects, indicating limited fresh order inflows. Consequently, the order book position remains moderate and constrains medium-term revenue visibility.
Further, the entire order book comprises subcontracted works, resulting in significant dependence on a single counterparty for order inflows and exposing the company to customer concentration risk. The subcontracting nature of operations also limits pricing flexibility and operational control. In addition, the company's order book remains concentrated towards road EPC projects in Maharashtra, reflecting limited diversification across segments and geographies. Improvement in scale and diversification of customer base will remain key rating sensitivities.

Profitability margins susceptible due to volatile material prices
The company's profitability remains susceptible to fluctuations in input material prices, as construction materials constitute a major portion of the operating cost. Further, given the subcontracting nature of operations and competitive intensity in the EPC segment, the company has limited flexibility to fully pass on any sharp increase in raw material costs, which may exert pressure on profit margins. Nevertheless, the presence of price escalation clauses in certain work orders provides partial cushion against adverse movements in input prices.

Fragmented and competitive nature of the construction industry along with execution-related risks
The infrastructure construction sector in India remains fragmented and highly competitive, marked by the presence of numerous players and tender-based procurement of projects. This results in intense competition, thereby exerting pressure on order inflows and profitability margins.
Further, the sector remains exposed to execution-related challenges such as delays in project execution, regulatory approvals, changes in government policies and budgetary allocations, and aggressive bidding practices, which may impact the operational and financial risk profile of industry participants. The company's revenues also remain dependent on timely execution of projects and its ability to secure orders on a sustained basis. Nevertheless, the promoters' experience in the infrastructure sector provides some comfort.

Key strengths

Experienced promoters, however, limited operating track record of the company
The company is promoted by Mr. Balaji Chavan and Mrs. Kavita Balaji Chavan, who possess over 20 years and 10 years of experience, respectively, in the infrastructure and construction sector. The promoters' experience in execution of infrastructure projects supports the company's operational capabilities and customer relationships. Further, the company has witnessed a steady scale-up in operations over the past few years. Accordingly, while the company benefits from strong promoter support and improving financial performance, its limited track record remains a key credit constraint. However, the company has a relatively limited track record of operations of around four years, which constrains its established market position and limits its track record across business cycles.

Demonstrated execution capabilities in road EPC projects
The company has demonstrated satisfactory execution capabilities in road EPC projects, as reflected in timely progress across its ongoing projects and continued order inflows from existing counterparties. The company is currently executing road projects subcontracted from Roadways Solution Private Limited for Maharashtra State Road Development Corporation (MSRDC), with project completion levels ranging from around 56% to 91% as on April 01, 2026. The company's ability to execute projects within stipulated timelines will remain critical from a credit perspective.

Moderate to comfortable debt coverage indicators
The company's debt coverage indicators moderated in FY26 owing to an increase in debt levels to support higher scale of operations and the resultant increase in interest costs. PBILDT interest coverage declined to 5.99x in FY26 from 23.01x in FY25.

Further, total debt to GCA and total debt to PBILDT deteriorated to 4.50x and 4.40x, respectively, in FY26 from 2.02x and 1.56x, respectively, in FY25. Nevertheless, the debt coverage metrics remained moderate to comfortable, supported by adequate cash accruals and profitability levels.
Going forward, the debt coverage indicators may witness moderation with the expected increase in working capital borrowings to support growth in operations and the associated rise in working capital intensity.

Liquidity: Stretched
Liquidity is stretched, marked by weak current ratio, moderate quick ratio, comfortable utilization of its working capital limits with adequate cash accruals against low debt repayment obligations, and available liquidity in the form of free cash and fixed deposits. The working capital utilisation for the fund-based limits stood at ~50% for the past 12 months ended April 2026. The current ratio stood moderate at 1.14x while quick ratio stood at 0.92x as on March 31, 2026 (against 1.02x and 0.77x, respectively, as on March 31, 2025). The collection period stood stretched at 120 days in FY25 (P: 69 days) and the inventory period stood at 55 days (PY: 35 days). The company had free cash and bank balance of Rs. 4.45 crore with free FDs of ~Rs. 7.00 crore as on March 31, 2026. The cash accruals are expected to remain sufficient against principal debt repayment obligations of ₹0.40 crore in FY27-FY29. The cash flow from operations (CFO) stood at ₹2.25 crore in FY25 (against (-) ₹2.04 crore in FY25).

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
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

B.M. Chavan Infrastructure Private Limited (BMC), incorporated in 2000, is engaged in Engineering, Procurement and Construction (EPC) activities in the infrastructure sector. The company undertakes execution of transportation infrastructure projects, primarily roads and highways, with involvement in engineering and construction activities. BMC is led by its Chairman and Managing Director, Mr. Balaji Chavan, and supported by a team overseeing engineering and finance functions.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (P)
Total operating income	48.93	58.48
PBILDT*	1.91	3.30
Profit after tax (PAT)	1.43	3.13
Overall gearing (x)	0.91	1.86
Interest coverage (x)	23.01	5.99

A: Audited P: Provisional; 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

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/ST		-	-	-	5.00	CARE B+; Stable / CARE A4
Non-fund-based-LT/ST		-	-	-	15.00	CARE B+; 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 2026-2027	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
1	Fund-based-LT/ST	LT/ST	5.00	CARE B+; Stable / CARE A4				
2	Non-fund-based-LT/ST	LT/ST	15.00	CARE B+; Stable / CARE A4				

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/ST	Simple
2	Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

[2] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

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About us:

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