

## J and B Engineering and Construction Company

October 31, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	14.00	CARE D	Rating removed from ISSUER NOT COOPERATING category and Downgraded from CARE B+; Stable
Short Term Bank Facilities	8.50 (Reduced from 12.00)	CARE D	Rating removed from ISSUER NOT COOPERATING category and Downgraded from CARE A4

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings), vide its press release dated March 19, 2025, had placed the rating of J and B Engineering and Construction Company (JBEC) under the 'Issuer non-cooperating' category as JBEC had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. The firm has now cooperated for undertaking the review.

Revision in the rating assigned to the bank facilities of JBEC considers the delays in debt servicing as ascertained during CareEdge Ratings' due diligence process.

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

#### Positive factors

- Satisfactory track record of timely repayment and servicing of debt obligations for a continuous period of 90 days.

**Analytical approach:** Standalone

### Detailed description of key rating drivers:

#### Key weaknesses

##### Delay in debt servicing

As per the lender feedback, part of due diligence exercise conducted by CareEdge Ratings, there has been instances of delay in repayment of term loan obligations.

##### Decline in scale of operations, with geographically concentrated orderbook

The firm had reported decline in scale of operations over the years from ₹29.79 crore in FY23 to ₹12.17 crore in FY25, due to slowdown in execution of the projects for Kerala Water Authority (KWA).

##### Moderate capital structure and debt coverage indicators

The capital structure of the firm marked by overall gearing stood moderate at 1.41x as on March 31, 2025 (PY: 1.55x). The debt coverage indicators marked by total debt/GCA stood at 17.37x as on March 31, 2025 (PY: 14.06x).

##### Stretched operating cycle

The firm had a stretched operating cycle of 810 days in FY25 (previous year: 1089 days), primarily due to prolonged receivable days at 508 (PY: 659), attributed to delayed payments from the Kerala Water Authority.

### Key strengths

#### Experienced promoters with long track record of operations

Established in 1991 by K A Abraham, JBEC benefits from his four decades of experience in the construction industry. He is supported by family members with relevant qualifications and over a decade of industry experience. The firm's three-decade operational track record and experienced leadership continue to support its long-term growth.

#### Liquidity: Poor

The liquidity is poor marked by delays in repayment obligations. The average utilization of working capital limits stood over the 95% for the past 12 months ended September 2025.

<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.

**Assumptions/Covenants:** Not applicable

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

### Applicable criteria

[Definition of Default](#)

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

[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

JBEC was established as a partnership firm on April 30, 1991, promoted by K A Abraham along with his family members viz Jessy Abraham, Jeby Abraham, Juby Abraham and Jobin Joseph Abraham. The firm is engaged in designing and constructing pipelines, water treatment plant for Kerala Water Authority (State Government of Kerala).

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	29.79	9.39	12.17
PBILDT	4.54	3.18	3.07
PAT	1.58	0.88	0.67
Overall gearing (times)	1.94	1.55	1.41
Interest coverage (times)	1.83	1.47	1.37

A: Audited UA: Unaudited; 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		-	-	-	14.00	CARE D
Non-fund-based - ST-Bank Guarantee		-	-	-	8.50	CARE D

**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 D	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (19-Mar-25)	1)CARE BB-; Stable (02-Feb-24)	1)CARE BB-; Stable (24-Jan-23)
2	Non-fund-based - ST-Bank Guarantee	ST	8.50	CARE D	-	1)CARE A4; ISSUER NOT COOPERATING* (19-Mar-25)	1)CARE A4 (02-Feb-24)	1)CARE A4 (24-Jan-23)

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

LT: Long term; ST: 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 - 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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