

February 27, 2026

J. Kumar Infraprojects Limited: Rating reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term - Fund-based - Term loans	293.61	658.00	[ICRA]A+ (Positive); reaffirmed and assigned for enhanced amount
Long-term - Fund-based -Working capital facilities	972.00	897.00	[ICRA]A+ (Positive); reaffirmed
Long-term - Non-fund based - Bank guarantee/Letter of credit	4,345.95	4,299.81	[ICRA]A+ (Positive); reaffirmed
Long-term - Fund-based - Overdraft	46.20	-	-
Long-term - Fund-based/Non-fund based - Unallocated	8.70	61.65	[ICRA]A+ (Positive); reaffirmed and assigned for enhanced amount
Total	5,666.46	5,916.46	

*Instrument details are provided in Annexure-I

Rationale

The reaffirmation of the rating with continuation of Positive outlook for J. Kumar Infraprojects Limited (JKIL) reflects ICRA's expectation that its credit profile will strengthen over the near to medium term, supported by a healthy order book (OB) position, stable operating profitability, and comfortable leverage metrics complemented by adequate liquidity. Its order book position stood at Rs. 19,212 crore, translating into a book-bill ratio of 3.37 times of FY2025 OI as on December 31, 2025, providing medium-term revenue visibility. Over the past three fiscals, the aggregate order inflow stood at over Rs. 19,000 crore. However, the same remained muted at Rs. 515 crore in YTD FY2026. The company is an L1 bidder in projects worth Rs. 1,728 crore as on date and a recovery in order inflow is expected, given a strong order pipeline in the metro rail, roads and urban infrastructure segments. In FY2026, the OI is anticipated to remain flat relative to FY2025 owing to slower-than-expected execution in key projects, nevertheless, this is on account of reasons (weather-related disruptions, delays in the receipt of regulatory approvals etc.) not directly attributable to the company. Consequently, JKIL is expected to receive timely Extension of Time (EoTs) for projects where such issues persist, and ICRA doesn't expect any adverse financial implications of the same. The operating profit margin has maintained a healthy trajectory of 14.3%-14.7% during the last 11 quarters, and the trend is likely to sustain over the medium term.

The rating action favourably factors in the company's comfortable financial profile, with low leverage (of less than 1.0 times as on March 31, 2025), adequate coverage metrics (interest cover of 5.3 times as on March 31, 2025), moderate working capital intensity coupled with adequate liquidity. It is expected to incur capital expenditure of ~Rs. 500 crore in FY2026 (~Rs. 400-450 crore already incurred in 9M FY2026) and ~Rs. 200 crore each in FY2027 and FY2028, which is anticipated to be partly funded through debt. Nevertheless, ICRA expects its credit metrics to remain comfortable with the interest cover likely to remain above 5.0 times and DSCR above 2.0 times over the medium term. The ratings note the extensive experience of the promoters, spanning over four decades in the civil construction segment and demonstrated capabilities in executing relatively complex infrastructure projects including underground metro projects at geographically diverse locations. The company has a fleet of well-maintained specialised equipment in its portfolio and a strong technical team, which supports its project execution capabilities.

The rating is, however, constrained by the moderately concentrated order book position in terms of geography, segment and clients, although it has diversified compared to earlier levels over the last few years. Nevertheless, ~72% of the order book (as on September 30, 2025) is in the nascent stages of execution in terms of financial billing on account of milestone-linked payment cycles in some key projects, though, the execution in terms of physical progress remains relatively better. A strong track record of timely completion of projects and the slow execution being due to reasons beyond the company's control

mitigates the risk to an extent. The construction sector is exposed to stiff competition, along with volatility in input costs (steel, cement, etc.), which could exert pressure on profitability. The company is also exposed to sizeable contingent liabilities in the form of bank guarantees mainly for mobilisation advances, contractual performance and retention money. Any sizeable invocation of BGs would affect the company's liquidity and financial risk profile. Nonetheless, ICRA draws comfort from JKIL's execution track record and absence of any invocation of guarantees in the past.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in civil construction industry – JKIL has an established track record of operations of over four decades, supported by an experienced management and demonstrated capabilities in executing relatively complex underground metro projects at geographically diverse locations. The company has a fleet of well-maintained specialised equipment in its portfolio and a strong technical team, which aids its project execution capabilities.

Strong order book position provides medium-term revenue visibility – The company's order book stood at Rs. 19,212 crore (against Rs. 20,160 crore as on September 30, 2025) translating into a book-bill ratio of 3.37 times of FY2025 OI as on December 31, 2025, providing medium-term revenue visibility. While order inflow was muted at Rs. 515 crore in YTD FY2026, a recovery in order inflow is expected going forward due to a strong order pipeline in the metro rail, roads and urban infrastructure segments.

Comfortable financial risk profile – JKIL recorded a healthy CAGR of ~15.4% in its OI over the last five years ending in FY2025, along with healthy operating profit margin, supported by the ownership of machines, in-house project execution (minimal sub-contracting), geographical clustering of projects, and centralised procurement of raw materials. The company's capital structure remained comfortable over the previous five fiscals, with total outside liabilities to tangible net worth (TOL/TNW) of less than 1.0 times. This trend is expected to sustain going forward driven by healthy margins and limited dependence on external borrowings. The interest cover is projected to remain above 5.0 times with ramp up in execution.

Credit challenges

Exposed to order book concentration risk – JKIL's outstanding order book is concentrated towards metro, roads and flyover segment, which formed ~83% (FY2019: ~90%) of the unexecuted order book as on September 30, 2025. While the company has diversified its operations (across Maharashtra, Tamil Nadu, Delhi, Gujarat, Uttar Pradesh and Karnataka), Maharashtra accounted for ~62% (FY2019: ~75%) of the unexecuted order book, which exposes it to geographical concentration risk. While the geographical concentration supports optimal resource deployment, its impact on the company's revenues could be severe if the region of operations gets affected by unforeseen risks. It also faces client and project concentration risks with top three clients contributing to ~65% and the top 10 orders constituting ~69% of the unexecuted order book as on September 30, 2025. However, JKIL's clients are key government authorities and hence the counterparty risk is mitigated to an extent.

Exposed to execution risk as major share of order book is in nascent stages of execution – The company is exposed to moderate execution risk, as around ~72% of the order book as on September 30, 2025 is in the nascent stages of execution. A strong track record of timely completion of projects mitigates the risk to an extent.

Stiff competition in the civil construction industry, input cost spike could exert pressure on profitability – There is intense competition in the domestic civil construction industry, which is fragmented in nature. The stiff competition, coupled with an increase in input cost, could exert pressure on profitability. The built-in price escalation clause in majority of JKIL's contracts protects the operating margin from adverse movements in raw material prices. Company's working capital intensity (NWC/OI) has moderated on an YoY basis although it remains relatively high at 23.4% as on September 30, 2025 (FY2025: 25.1%). The company has funded a sizeable share of its working capital requirement through extended credit period and advance from customers. Any decline in either of these would have a bearing on its liquidity position. In the backdrop of significant growth over the next three fiscals, which will entail increase in working capital requirement, JKIL's ability to judiciously manage its working capital cycle and maintain adequate liquidity remains important from the credit perspective.

Environment and social risks

Environmental considerations – The company operates at multiple project sites simultaneously, spread over various states in the country, which mitigates the risk of business disruptions on account of adverse climate conditions. Given that construction activities tend to cause air pollution, the company remains exposed to the risk of temporary bans on operations in cities that are more sensitive to the deteriorating air quality.

Social considerations – Construction entities also face social risks stemming from the health and safety concerns of workers, manifestation of which could lead to regulatory or legal action, besides reputational harm. The company has a track record of maintaining cordial relationships with its employees/workers, including contractual labour with no material incidents of a slowdown in execution on account of workforce management issues.

Liquidity position: Adequate

The company has adequate liquidity, reflected by free cash balances and unencumbered fixed deposits of Rs. 483 crore accompanied by a cushion of ~Rs. 760 crore in the undrawn fund-based limits (against drawing power) as on December 31, 2025. The average fund-based working capital utilisation against the drawing power over the last 18-months period ending in December 2025 remained moderate at 38%. The principal debt repayments are estimated to be Rs. 121.1 crore in FY2026 and Rs. 108.3 crore in FY2027. Further, it is expected to incur a capex of ~Rs. 500 crore in FY2026 (of which Rs. 400-450 crore already incurred in 9M FY2026) and ~Rs. 200 crore in FY2027, part of which is likely to be funded through debt. The company is expected to generate sufficient cash flows for comfortably meeting both its debt repayment obligations and capex commitments.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company demonstrates a sustained improvement in its scale of operations while maintaining its profitability and improving its debt coverage metrics and liquidity profile.

Negative factors – Negative pressure on JKIL's ratings could arise if significantly lower-than-anticipated billing, deterioration in operating profitability, elongation of working capital cycle, or investment in non-core business adversely impacts the company's liquidity or debt coverage metrics. A specific credit metric, which could result in a rating downgrade, is interest cover of less than 5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Construction Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	Consolidated; details of the consolidated entities are provided in Annexure II.

About the company

Incorporated in 1980, JKIL is a public limited company involved in construction of elevated and underground metro projects, roads, flyovers and bridges and civil construction activities for Municipal Corporation of Greater Mumbai, Gujarat Metro Rail Corporation Limited, Delhi Metro Rail Corporation, Mumbai Metro Rail Corporation Ltd and other government companies in India. It was converted into a public company in 2007 and is listed on the Bombay Stock Exchange and National Stock Exchange in 2008. The company has executed several complex projects such as Dwarka Expressway Flyover as well as few sections of metro across Mumbai, Delhi, Ahmedabad, Surat, and Navi Mumbai.

Key financial indicators (audited)

Consolidated	FY2024	FY2025	9M FY2026*
Operating income (Rs. crore)	4,879.2	5,693.5	4,137.6
PAT (Rs. crore)	328.6	390.5	275.9
OPBDITA/OI (%)	14.4%	14.5%	14.5%
PAT/OI (%)	6.7%	6.9%	6.7%
Total outside liabilities/Tangible net worth (times)	0.8	0.9	-
Total debt/OPBDITA (times)	0.8	0.9	-
Interest coverage (times)	5.7	5.3	4.8

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; *Limited results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Current (FY2026)		Chronology of rating history for the past 3 years					
			FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Working capital facilities	Long Term	897.00	Feb 27, 2026	[ICRA]A+ (Positive)	Nov 26, 2024	[ICRA]A+ (Positive)	Nov 28, 2023	[ICRA]A+ (Stable)	-	-
			-	-	Oct 04, 2024	[ICRA]A+ (Positive)	May 08, 2023	[ICRA]A+ (Stable)	-	-
Term loans	Long Term	658.00	Feb 27, 2026	[ICRA]A+ (Positive)	Nov 26, 2024	[ICRA]A+ (Positive)	Nov 28, 2023	[ICRA]A+ (Stable)	-	-
			-	-	Oct 04, 2024	[ICRA]A+ (Positive)	May 08, 2023	[ICRA]A+ (Stable)	-	-
Overdraft	Long Term	-	-	-	Nov 26, 2024	[ICRA]A+ (Positive)	Nov 28, 2023	[ICRA]A+ (Stable)	-	-
			-	-	Oct 04, 2024	[ICRA]A+ (Positive)	-	-	-	-
Bank guarantee/ Letter of credit	Long Term	4,299.81	Feb 27, 2026	[ICRA]A+ (Positive)	Nov 26, 2024	[ICRA]A+ (Positive)	Nov 28, 2023	[ICRA]A+ (Stable)	-	-
			-	-	Oct 04, 2024	[ICRA]A+ (Positive)	May 08, 2023	[ICRA]A+ (Stable)	-	-
Unallocated	Long Term	61.65	Feb 27, 2026	[ICRA]A+ (Positive)	Nov 26, 2024	[ICRA]A+ (Positive)	Nov 28, 2023	[ICRA]A+ (Stable)	-	-
			-	-	Oct 04, 2024	[ICRA]A+ (Positive)	May 08, 2023	[ICRA]A+ (Stable)	-	-
Commercial paper	Short Term	-	-	-	Nov 26, 2024	[ICRA]A1; Withdrawn	May 08, 2023	[ICRA]A1	-	-
			-	-	Oct 04, 2024	[ICRA]A1	Nov 28, 2023	[ICRA]A1	-	-
			-	-	-	-	Apr 11, 2023	[ICRA]A1	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term - Fund-based - Term loans	Simple
Long-term - Fund-based - Working capital facilities	Simple
Long-term - Non-fund based - Bank guarantee/Letter of credit	Simple
Long-term - Fund-based – Overdraft	Simple
Long-term - Fund-based/Non-fund based – Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Working capital facilities	NA	NA	NA	897.00	[ICRA]A+ (Positive)
NA	Term loans	FY2021	NA	FY2032	658.00	[ICRA]A+ (Positive)
NA	Bank guarantee/ Letter of credit	NA	NA	NA	4,299.81	[ICRA]A+ (Positive)
NA	Unallocated	NA	NA	NA	61.65	[ICRA]A+ (Positive)

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation
J. Kumar- NCC Private Limited	49.00%	Equity method
Odette Engineers Private Limited	85.00%	Full consolidation
Pranav Construction System Private Limited	85.00%	Full consolidation

Source: FY2025 Annual report

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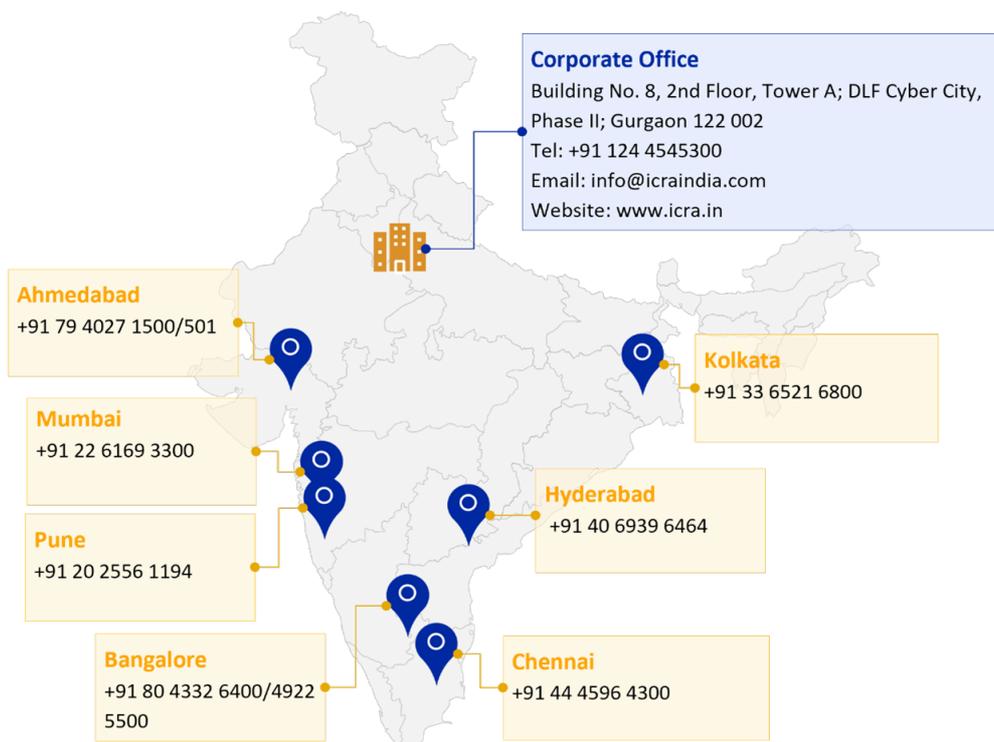


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