

July 03, 2026

## PABSCON: [ICRA]BB (Stable); assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Issuer rating	-	[ICRA]BB (Stable); assigned

\*Instrument details are provided in Annexure II

### Rationale

The assigned rating factors in the extensive experience of Pabscon as engineering, procurement and construction (EPC) contractor for the construction and maintenance of buildings and roads, along with its long track record of successful project execution. The firm is also a civil construction contractor for the Airports Authority of India (AAI), the Central Public Works Department (CPWD), the West Bengal Public Works Department (WBPWD) and the Border Roads Organisation (BRO), which helps it secure incremental business from these reputed clients as an EPC contractor. ICRA further notes the healthy leverage and satisfactory debt coverage metrics, with an interest coverage ratio of 6.3 times and a debt service coverage ratio of 4.1 times as on March 31, 2026. Further, Pabscon's operating income (OI) increased to about Rs. 77.2 crore in FY2026 (provisional) from Rs. 62.1 crore in FY2025, primarily driven by the commencement and healthy execution ramp-up of certain projects that had witnessed delays earlier. Additionally, with an outstanding order book of approximately Rs. 292 crore as on March 31, 2026, the firm has steady medium-term revenue visibility.

The rating is, however, constrained by the firm's moderate scale of operations and order book position in an intensely competitive civil construction business. Further, Pabscon is exposed to geographical concentration risk, with outstanding orders being executed primarily in West Bengal over the last few years. The rating also considers the fragmented nature of the industry, which could constrain its profitability. ICRA notes that since Pabscon is a partnership firm, any significant withdrawal from the capital accounts by the partners could adversely affect its net worth, capital structure and liquidity, which remains a risk.

The Stable outlook on the long-term rating reflects ICRA's expectation that Pabscon will maintain its growth trajectory, supported by the timely and efficient execution of its existing order book and its demonstrated ability to secure new orders.

### Key rating drivers and their description

#### Credit strengths

**Significant experience of promoters in the construction sector** – The promoters started the business in 1978 and it is currently managed by the partner, Mr. Robin Sarkar, who has over five decades of experience in executing EPC contracts in the building and road infrastructure segment. His experience spans civil construction works encompassing highways, bridges and the construction of buildings, including civil works, electrification, air conditioning and other interior works. The promoter's extensive industry experience supports Pabscon's execution capabilities and operational understanding of EPC contracts.

**Reputed client profile** – Pabscon is a registered contractor with various Government authorities such as AAI, CPWD and the State PWDs of Nagaland, Jharkhand, Assam and West Bengal. The firm has successfully executed multiple small-to-moderate-sized projects across West Bengal, Nagaland, Jharkhand, Assam (Dibrugarh) and Mizoram, reflecting its execution capabilities and familiarity with Government contracting norms. However, given the modest ticket size of projects executed so far, Pabscon's ability to secure fresh orders on a sustained basis will remain critical for maintaining revenue growth momentum beyond the current order book.

## Credit challenges

**Moderate scale of operations** – Pabscon remains a mid-sized player in a highly competitive EPC industry, as reflected in its moderate provisional operating income of around Rs. 77 crore in FY2026. The execution of certain projects has been delayed in the past, thereby impacting the pace of revenue realisation. Moreover, any slowdown in order inflows could constrain the scale of operations over the medium-to-long term.

**Moderate orders book position** – The company’s order book position remains moderate, providing medium-term revenue visibility, as reflected in an unexecuted order book of around Rs. 292 crore as on March 31, 2026. The execution of a portion of the order book (approximately Rs. 60 crore) has been delayed due to the late handover of sites by the concerned authorities. Timely execution of the existing order book, without any significant cost or time overruns, remains critical for maintaining profitability and cash flows. Any slowdown in order inflows or delays in order execution could impact revenue momentum and the working capital cycle.

**Risks related to partnership firm structure** – Pabscon is exposed to risks associated with its partnership structure, including the risk of capital withdrawals by the partners. While the firm has not witnessed any material or regular capital withdrawals over the past few years, any significant drawdown remains a key monitorable, as it could adversely impact the firm’s capital structure and financial flexibility.

**High geographical concentration risk** – The entity remains exposed to high geographical concentration risk, with almost the entire unexecuted order book derived from projects located in West Bengal as on March 31, 2026. Any adverse developments in the region could have a disproportionate impact on the firm’s revenue streams and cash flows.

## Liquidity position: Adequate

The firm’s liquidity is expected to remain adequate, supported by a cash balance of around Rs. 2 crore as on March 31, 2026, along with sufficient buffer available in its working capital limits. The utilisation of fund-based limits remained moderate at 57% over the 12-month period ended May 31, 2026, indicating comfortable headroom for meeting incremental requirements. Additionally, the firm has minimal long-term debt repayment obligations and does not envisage any significant capex over FY2027-FY2028. Liquidity is further supported by an adequate cushion of approximately Rs. 12.5 crore in its non-fund-based limits as on March 31, 2026, which provides flexibility to meet incremental bank guarantee requirements.

## Rating sensitivities

**Positive factors** – The rating of Pabscon may be upgraded in the case of a sustained improvement in revenue and earnings, leading to the strengthening of its net worth and credit metrics while maintaining adequate liquidity.

**Negative factors** – Pressure on the rating could arise if the firm’s scale and earnings decline significantly, leading to a sustained deterioration in its debt protection metrics. Further, any significant stretch in the working capital cycle, large debt-funded capex, or substantial capital withdrawals resulting in a deterioration in the firm’s liquidity and financial risk profile could also result in a rating downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Construction</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

The business was established in 1978 and the firm operates as a civil engineering and infrastructure development contractor across West Bengal, Nagaland, Jharkhand, Assam (Dibrugarh) and Mizoram. The firm undertakes EPC contracts for the construction of roads, buildings, airports and railway-related civil infrastructure on behalf of various Government authorities, including the Airports Authority of India (AAI), CPWD, State PWDs, BRO and other development agencies.

Its core operations involve civil construction works encompassing highways, bridges and overpasses, as well as the construction of buildings, including civil works, electrification, air conditioning and other interior works. The firm is registered as an EPC contractor with various Government organisations such as AAI, CPWD and the State PWDs of Nagaland, Jharkhand, Assam and West Bengal.

### Key financial indicators (audited/Provisional)

PABSCON - Standalone	FY2025	FY2026*
Operating income	62.1	77.2
PAT	1.9	2.4
OPBDITA/OI	5.2%	6.0%
PAT/OI	3.0%	3.1%
Total outside liabilities/Tangible net worth (times)	1.1	1.1
Total debt/OPBDITA (times)	1.6	2.5
Interest coverage (times)	32.4	6.3

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; \* Provisional numbers

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

**Any other information: None**

## Rating history for past three years

Instruments	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 03, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
<b>Issuer rating</b>	Long-term	-	[ICRA]BB (Stable)	-	-	-	-	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (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 Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	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.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

- (@) 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 can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.
- (#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

### Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not applicable

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Issuer rating	NA	NA	NA	-	[ICRA]BB (Stable)

Source: Company

### Annexure III: List of entities considered for consolidated analysis – Not Applicable

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## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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