

Om Infra Limited

September 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	99.62 (Reduced from 104.50)	CARE BBB-; Stable	Downgraded from CARE BBB; Stable
Long-term / Short-term bank facilities	623.00 (Reduced from 633.50)	CARE BBB-; Stable / CARE A3	Downgraded from CARE BBB; Stable / CARE A3+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings of bank facilities of Om Infra Limited (OIL) considers deterioration in financial performance in FY25 (FY refers to April 01 to March 31) and Q1FY26, marked by slowdown in execution of Jal Jeevan Mission (JJM) projects due to delayed government funding amid slashing of budget allocation for JJM projects in revised estimate of Union Budget of 2024-2025. Deterioration also considers slower execution of hydro-mechanical projects due to natural calamities, delay in approvals and clearances. This led to moderation in debt coverage indicators, elongation in collection period and increase in gross current asset days in FY25.

Ratings continue to derive strength from the experience of promoters, the company's established track record in project execution, its market position in engineering, procurement and construction (EPC) of hydro-mechanical and irrigation projects, healthy order book position and satisfactory financial risk profile.

However, ratings are constrained by high exposure to group companies despite some reduction in FY25 and Q1FY26, working capital intensive operations, execution risk in hydro power and JJM projects, and saleability risk in real estate projects.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations above ₹800 crore and profitability margins above 8% on a sustained basis.
- Reduction in working capital cycle with average collection period below 120 days and gross current asset days below 250 days on a sustained basis.
- Improvement in total debt/gross cash accruals (TD/GCA) below 3x.

Negative factors

- Significant decline in scale of operations and contraction in profitability margins from current levels.
- Significant elongation in average collection period and gross current asset days from current levels.

Analytical approach: Standalone after factoring support towards group companies in the form of equity investments, loans and advances.

Outlook: Stable

Stable outlook is based on experienced promoters and OIL's strong market position with an established track record in executing hydro-mechanical projects.

Detailed description of key rating drivers:

Key strengths

Experienced promoters

OIL is promoted by Om Kothari Group. The promoter, C P Kothari, has around five decades of experience in executing engineering contracts for hydel and irrigation projects. He is supported by his two brothers, who also have substantial industrial experience and manage the company's day-to-day operations.

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

Strong market position of OIL with established track record in EPC of hydro-mechanical and irrigation projects

OIL is among the leading players in hydro-mechanical project execution and has been active in the industry for over five decades. The company has successfully executed over 70 hydro-mechanical and irrigation projects across India and abroad, which provides a competitive edge in bidding for new orders.

Healthy order book position

The company has an outstanding order book of ~₹2,660 crore as on June 30, 2025, equivalent to ~4x of its total operating income (TOI) in FY25, offering revenue visibility in the medium term. The order book includes contracts for hydro-mechanical, hydro power, irrigation (dams/reservoirs), and EPC works of dams/reservoirs. Hydro and water projects (H and W; outstanding order value: ₹1,110 crore) and JJM projects (outstanding order value: ₹1,546 crore) accounted for 42% and 58% of the total order book as on June 30, 2025, respectively. Of the total JJM orders, 33% are for Rajasthan and 67% for Uttar Pradesh. The order book is primarily from government and quasi-government entities, which lowers counterparty risk.

Per the management's articulation, the company's major focus is on acquiring large orders in river inter linking, pumped storage, water and waste treatment projects. In FY26, OIL is targeting an order inflow of ₹2000 crore, of which ₹328 crore is achieved in Q1FY26.

Satisfactory financial risk profile despite moderation in debt coverage indicators

Overall gearing remained satisfactory at 0.16x as on March 31, 2025 (0.18x as on March 31, 2024), despite deterioration in financial performance in FY25. Adjusted gearing (after factoring in exposure to group companies) improved from 0.46x as on March 31, 2024, to 0.37x as on March 31, 2025, due to repayment of loans and advances by a subsidiary and joint venture.

OIL's debt levels reduced in FY25 due to scheduled term loan repayments and partial payment of mobilisation advances. However, debt protection metrics such as TD/GCA and profit before interest, lease rentals, depreciation, and taxation (PBILDT) interest coverage ratio moderated from 1.60x and 4.13x in FY24 to 3.01x and 1.24x in FY25, respectively, due to a significant decline in operating profitability, which impacted cash accruals, while finance costs remained stable.

Key weaknesses

Deterioration in financial performance in FY25 and Q1FY26

The company's TOI declined by ~38% from ₹1,065.10 crore in FY24 to ₹659.12 crore in FY25, considering delays in receipt of funding for JJM projects from central and state governments due to a reduction in budget allocation from ₹70,163 crore to ₹22,694 crore per revised estimates. Accordingly, the management slowed down the pace of executing JJM projects due to delayed payments from the government. Revenue from JJM projects declined from ₹567 crore in FY24 to ₹249 crore in FY25.

Hydropower projects also faced delays due to natural calamities, pending approvals and clearances, and local disturbances which also impacted the OIL's operational and financial performance in FY25.

PBILDT margin declined from 9.21% in FY24 to 4.11% in FY25 due to under-absorption of fixed overheads, considering decline in scale of operations and expenses incurred in JJM projects whose revenue was not booked in FY25.

In Q1FY26, the company reported TOI of ₹99.78 crore, reflecting year-on-year (y-o-y) decline of ~39% and PBILDT margin of 1.32% due to continued slower execution of JJM work orders and early onset of monsoon.

In the Union Budget for 2025-2026, the Government of India extended the JJM scheme till December 2028 and allocated ₹67,000 crore for the current fiscal. With the extension and fund allocation, order execution is expected to ramp up post-monsoon from Q3FY26, which is expected to lead to improvement in OIL's operational and financial performance.

High exposure to group companies despite reduction in FY25 and Q1FY26

OIL has exposure to group companies in the form of equity investments, loans, and advances, which accounted for 58% of tangible net worth as on March 31, 2025, reduced from 61% as on March 31, 2024. Major exposure is in Om Metal Consortium Private Limited (OMCPL, wholly owned subsidiary) and Bhilwara Jaipur Toll Road Private Limited (BJTRPL, joint venture with 51% share), accounting for ~86% of total exposure as on March 31, 2025.

On an absolute basis, overall exposure reduced from ₹457.92 crore as on March 31, 2024, to ₹449.36 crore as on March 31, 2025, mainly due to repayment of loans and advances by OMCPL (~₹3.56 crore) and BJTRPL (~₹4.69 crore) in FY25. Exposure further reduced by ₹15 crore to ~₹435 crore as on June 30, 2025.

OMCPL has unsold inventory and sold receivables of ~₹300 crore in its completed residential real estate project, Pallacia, with no debt repayment obligations. BJTRPL has an ongoing litigation against its counterparty, where it received interim award of ~₹190 crore granted by Supreme Court. The arbitrator under the final award dated January 30, 2023, allowed the claim amount of ~₹588 crore. However, PWD has challenged the arbitrator's award in the High Court. The management expects the final arbitration award of ~₹700 crore (including interest accrued in the litigation period) to be awarded in BJTRPL's favour.

Exposure to group companies is expected to reduce, considering repayment of loans and advances extended to OMCPL from sale proceeds of unsold units and receivables in Pallacia, and from arbitration proceeds in BJTRPL. However, timeline of this needs to be monitored.

Working capital intensive operations

OIL relies on bank borrowings to finance its working capital requirements, with high fund-based working utilisation of ~91% in the trailing 12 months ended June 2025. Major clients include government entities, which lead to delays in realisations due to long and stringent payment approval processes. Inventory period remains high due to simultaneous execution of multiple projects.

Average collection period elongated from 84 days in FY24 to 143 days in FY25 due to higher unbilled revenue in JJM projects and increased retention money from slower execution of hydro and water project. Inventory days increased from 47 days in FY24 to 61 days in FY25 due to slower execution of work orders. Elongation of average collection period and average inventory period led to elongation of operating cycle from 82 days in FY24 to 141 days in FY25. Gross current asset days also increased significantly from 151 days in FY24 to 264 days in FY25.

Execution risks associated with hydro-power projects and saleability risk under real estate project

Hydro-mechanical projects involve execution risks due to difficult terrain, geological conditions, and dependence on EPC contractors for construction. However, the company has diversified into water supply projects under JJM, which mitigates execution risk to an extent as these projects have comparatively lower execution risk.

The company has executed one real estate project, Om Green Meadows in Kota, Rajasthan, which exposes OIL to saleability risk.

Liquidity: Adequate

Liquidity position is adequate, marked by GCA of ₹40.18 crore against debt repayment obligations of ~₹14 crore in FY25. Projected cash accruals are expected to be sufficient to meet debt repayment obligations of ~₹8 crore in FY26. Liquidity is also supported by free cash and bank balances of ₹25.50 crore as on March 31, 2025. Average month-end utilisation of fund-based limits for the trailing 12 months ended June 2025 remained high at ~91%.

Environment, social, and governance (ESG) risks- Not applicable

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[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

OIL (erstwhile Om Metals Infraprojects Limited) was incorporated in December 1971 and is the flagship company of the Om Kothari Group. The group is engaged in diversified activities including turnkey solutions for hydro-mechanical equipment for hydro power and irrigation projects, JJM projects, real estate development and civil construction. OIL has its main fabrication unit for the hydro-mechanical division in Kota, Rajasthan. The company's total fabrication capacity is 15,000 metric tonne per annum (MTPA), with the unit based in Kota, Rajasthan. The company has also forayed into construction of dams and reservoirs on EPC basis, fabrication and installation of hydro-mechanical equipment and JJM.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	1,065.10	659.12	99.78
PBILDT	98.09	27.08	1.32
PAT	57.18	36.10	0.99
Overall gearing (times)	0.18	0.16	NA
Interest coverage (times)	4.13	1.24	NM

A: Audited UA: Unaudited NA: Not available NM: Not meaningful; 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	-	-	-	-	89.00	CARE BBB-; Stable
Fund-based - LT-Term Loan	-	-	-	28/02/2029	10.62	CARE BBB-; Stable
Non-fund-based-LT/ST	-	-	-	-	623.00	CARE BBB-; Stable / CARE A3

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-Term Loan	LT	10.62	CARE BBB-; Stable	-	1)CARE BBB; Stable (03-Jul-24)	1)CARE BBB-; Stable (03-Jul-23)	1)CARE BB+; Stable (10-Oct-22)
2	Non-fund-based-LT/ST	LT/ST	623.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB; Stable / CARE A3+ (03-Jul-24)	1)CARE BBB-; Stable / CARE A3 (03-Jul-23)	1)CARE BB+; Stable / CARE A4+ (10-Oct-22)
3	Fund-based - LT-Cash Credit	LT	89.00	CARE BBB-; Stable	-	1)CARE BBB; Stable (03-Jul-24)	1)CARE BBB-; Stable (03-Jul-23)	1)CARE BB+; Stable (10-Oct-22)

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	Fund-based - LT-Term Loan	Simple
3	Non-fund-based-LT/ST	Simple

Annexure-5: Lender detailsTo 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.

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