

R M Katore and Co

March 16, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.30 (Reduced from 10.54)	CARE BB+; Stable	Reaffirmed
Short Term Bank Facilities	23.00	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to the bank facilities of R M Katore and Co (RMKC) factors in moderate scale of operations, moderate profitability and working capital cycle. The ratings are further tapered due to project execution risk, highly competitive industry because of fragmented and tender-driven nature of business and partnership nature of constitution. The ratings, however, continue to derive strength from partners' extensive experience, comfortable capital structure and debt coverage indicators and healthy order book position providing revenue visibility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total Operating Income (TOI) above ₹200 crore with PBILDT margin above 10% on sustained basis
- Significant improvement in net worth base.

Negative factors

- TDGCA beyond 2x.
- Elongation of operating cycle beyond 60 days impacting liquidity position.
- Any large debt funded capex impacting the overall financial risk profile.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that RMKC will sustain its overall financial risk profile and will continue to benefit from experience of partners in the construction industry.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations coupled with moderate profitability

RMKC's TOI remained moderate at ₹125.25 crore in FY25 (refers to April 01 to March 31) compared to ₹146.42 crore in FY24. Further, during 11MFY26 (refers to April 01 to February 28), RMKC achieved TOI of ₹96.90 crore. The degrowth was primarily due to a comparatively lower number of tenders being floated. This slowdown was largely attributed to elections in Maharashtra and delays in fund allocation within various government departments.

RMKC's profitability remained moderate marked by PBILDT margin of 8.64% in FY25 compared to 6.07% in FY24. The marginal improvement was mainly on account of lower raw material costs and lower employee costs during the year. Profit after tax (PAT) margin also improved in line to 6.99% in FY25 compared to 5.06% in FY24.

Moderate working capital cycle

The operating cycle of the firm remained moderate at 38 days for FY25 as against 36 days in FY24. The average collection period improved and remained at 40 days in FY25 as against 43 days in FY24. The improvement mainly reflects timely collection of receivables from the authorities. Nevertheless, operating cycle remains moderate and is affected by nature of individual work order and payment terms. The firm's ability to maintain the operating cycle at current levels will be key monitorable.

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

Project execution risk inherent in infrastructure projects

Given the nature of projects awarded, RMKC is exposed to inherent risk in terms of delays in certain projects undertaken by the firm due to delay in approvals and sanction from regulatory bodies, land acquisition issues, thus exposing the firm to the risk of delay in execution of projects resulting in a delay in the realization of revenue growth. Execution of projects in timely manner will lead to operational efficiency of the firm.

Highly competitive industry because of the fragmented and tender-driven nature of business

The firm derives a majority of its work orders from government departments in Maharashtra, which are primarily awarded through a tender-based process. Consequently, its revenue generation remains dependent on the firm's ability to successfully secure these tenders. The industry is highly fragmented, with several medium-scale players operating at the regional level exerting pressure on profitability.

Partnership nature of constitution

The constitution as a partnership firm restricts RMKC's overall financial flexibility in terms of limited access to external funds for any future expansion plans. Further, there is inherent risk of possibility of withdrawal of capital in times of personal contingency as it has limited ability to raise capital and poor succession planning may result in dissolution of the firm in case of death/insolvency of partner.

Key strengths**Extensive experience of partners with long established track record**

Ramhari Katore, a civil engineer, is a first-generation entrepreneur and has extensive experience of more than two decades. Nikhil Katore is also a civil engineer and has a decade of experience and looks after the overall execution and business development.

Comfortable capital structure and debt coverage indicators

The capital structure of the firm remained comfortable, marked by an overall gearing of 0.38x as on March 31, 2025, as against 0.19x as on March 31, 2024, primarily due to the addition of vehicle and machinery loans during the year.

The debt coverage indicators also remained comfortable, with Total Debt to Gross Cash Accruals (TD/GCA) at 1.31x and Interest Coverage (PBILDT/Interest) at 8.04x in FY25, compared with 0.70x and 7.10x, respectively, in FY24.

Healthy order book position

RMKC had a healthy order book of ₹364.13 crore as on January 31, 2026 (2.91x of FY25 TOI) to be executed over the next 12–15 months, providing revenue visibility over the medium term. The order book primarily comprises projects related to road construction, drainage works, and water-supply system development, funded by State and Central Government departments. The order pipeline, however, remains geographically concentrated, with majority of the projects located in Maharashtra.

Liquidity: Adequate

The liquidity position of RMKC remained adequate marked by expected GCA of ₹8-9 crore against debt repayment obligation of ~₹2 crore in FY25. The average utilisation of fund-based working capital limits stood at 62.93% for twelve months ended January 31, 2026, hence, the unutilized credit lines provide extra comfort in meeting its working capital requirements. The average utilisation of non-fund-based limits stood moderate at 73.11% during twelve months ending January 31, 2026, driven by growing scale of operations. Cash flow from operations remained at ₹3.55 crore during FY25 (PY: ₹4.02 crore).

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

Established in 1998, R. M Katore and Co. (Previously known as R. M. Katore) is a Sangamner, Ahilya Nagar based firm promoted by Ramhari Katore. The firm was established as a proprietorship entity in 1998 and later changed its constitution in 2015, with Nikhil Katore joining the family business. The firm executes civil projects for diverse sectors including roads, bridges, residential and commercial complexes. Furthermore, RMKC is registered as a Class 1 contractor with the public works department (PWD – Maharashtra).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	11MFY26 (UA)
Total operating income	146.42	125.25	96.90
PBILDT*	8.89	10.83	NA
Profit after tax (PAT)	7.40	8.76	NA
Overall gearing (x)	0.00	0.38	NA
Interest coverage (x)	7.10	8.04	NA

A: Audited UA: Unaudited; NA: Not available; 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-Cash Credit		-	-	-	10.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	31-10-2026	0.30	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	23.00	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 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	10.00	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Jan-25)	1)CARE BB; Stable (30-Jan-24) 2)CARE B-; Stable; ISSUER NOT COOPERATING* (02-Nov-23)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (02-Nov-22)
2	Non-fund-based - ST-Bank Guarantee	ST	23.00	CARE A4+	-	1)CARE A4+ (06-Jan-25)	1)CARE A4 (30-Jan-24) 2)CARE A4; ISSUER NOT COOPERATING* (02-Nov-23)	1)CARE A4; ISSUER NOT COOPERATING* (02-Nov-22)
3	Fund-based - LT-Term Loan	LT	0.30	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Jan-25)	1)CARE BB; Stable (30-Jan-24)	-

*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	Fund-based - LT-Term Loan	Simple
3	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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