Om Construction_Omprakash Ramaji Katre

September 02, 2026

Facilities	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Issuer rating	NA	0.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.
Issuer Ratings: There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Om Construction_Omprakash Ramaji Katre to monitor the rating vide e mail communications dated June 10, 2026 and August 11, 2026 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating.
The rating on Om Construction_Omprakash Ramaji bank facilities will now be denoted as **CARE B+ Stable; ISSUER NOT COOPERATING*.**

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating assigned to the bank facilities of Om Construction_Omprakash Ramaji Katre has been revised on account of lack of clarity on future growth strategy and inability to monitor the performance of the company which is critical for assessing the credit profile of the company. Further, the rating continues to remain constrained by constitution of the entity as a proprietorship firm, small scale of operations albeit improving profitability margins, moderate order book position albeit strong counterparties, highly competitive industry, working capital intensive nature of operations, tender driven nature of business and susceptibility of margins towards construction material price volatility.
The ratings, however, derive strength from experienced promoters, improved capital structure and satisfactory debt coverage indicators.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers

At the time of last rating on June 04, 2025 the following were the rating weaknesses and strengths:

Key weaknesses

Constitution of the entity as a proprietorship firm
The firm's legal status as a proprietorship firm exposes it to the risk of withdrawal of capital by proprietor at times of personal contingency and limited ability of the firm to raise capital. However, the proprietor has infused funds amounting to Rs.0.88 crore and Rs.9.83 crore in FY24 and FY25 respectively.

Small scale of operations albeit improving profitability margins
The total operating income (TOI) of the firm remained small but has exhibited an increasing trend in the past few years. TOI improved from Rs. 7.16 crore in FY22 (A) to Rs. 20.65 crore in FY25 (Prov.) mainly due to improving order book position and its execution over the years. TOI moderated from FY24 level from Rs. 30.29 crore to Rs. 20.65 crore in FY25 mainly due to delay in issue of work orders on the back of Central and State Elections in Maharashtra which were held in FY25. PBILDT margin has improved from 3.83% in FY24 to 8.28% in FY25 due to moderation in raw material cost.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.
*Issuer did not cooperate; based on best available information.

Moderate Order book position albeit strong counterparties
The o/s order book in hand as on April 30, 2025, remained moderate and stood at Rs. 103.78 crore, while the firm plans to execute approximately orders worth Rs. 60 crore in FY26 showing medium term revenue visibility. All new orders in hand has been received in March and April 2025 from strong counterparties like NHAI and irrigation department of Maharashtra and has price variation clause. Further the firm is currently L1 bidder in 3 projects worth Rs. 46.33 crore as on April 30, 2025. This gives revenue visibility to the firm with majority of orders ranging between 1 to 2 years.

Highly competitive industry
OMC operates in a highly competitive construction industry, facing direct competition from numerous organized and unorganized players due to the low barriers to entry. The presence of many small and regional players catering to the same market has limited the firm's bargaining power and exerted pressure on its margins. This competitive landscape necessitates strategic planning and operational efficiency to maintain profitability and market position.

Working capital intensive nature of operations
The operations of the company are working capital intensive in nature due to tender based and long-term nature of contracts which consists of milestone-based payments, defect liability period, contractual performance terms and project specific challenges. The firm needs to furnish earnest money deposits (EMD) of 1-2% of the tender amount during the bidding process which leads to funds getting blocked even before the project is awarded. Further, the firm has to provide around 5% performance BG and in NHAI contracts mainly around 6% of the sales proceeds is withheld in the form of retention money to ensure project completion and quality. Additional BG of 8% is required for bidding below 20% of the set reserve price. This practice necessitates a significant working capital requirement for contractors. The firm bids projects having a gross margin of at least 10%.
The retention money gets released post completion of the project. The PBG gets released after the defect liability period which is mainly of 3-5 years. As articulated by the management, the firm released bank guarantee of Rs. 0.45 crore and retention money of Rs. 0.55 crore in FY25. As of March 31, 2025, the retention money balance stood at Rs.2.00 crore.

Tender driven nature of business
OM construction's revenue stream is exclusively derived from tender-based projects, making its success heavily reliant on securing these contracts. The intense competition within the industry exerts significant pressure on profit margins. However, the promoters' extensive experience in the construction industry, spanning two decades, acts as a mitigating factor against this risk, providing a strategic advantage in navigating the competitive landscape.

Susceptibility of margins towards construction material price volatility
The basic input materials for execution of construction projects and works contracts are steel, stone chips, bitumen, cement etc. Furthermore, the operating margin of the firm is exposed to any sudden spurt in the input material prices along with an increase in labour prices being in labour intensive industries. However, presence of price variation clause moderates volatility in operating margin to some extent.

Key strengths

Experienced promoters
Om Construction is promoted by Omprakash Ramaji Katre, Proprietor, who looks after the overall operations of the business. The proprietor has more than a decade of experience in construction business.

Improved capital structure
The capital structure of the firm stood comfortable marked by overall gearing ratio of 0.40x as on March 31, 2025 (UA) which improved from 1.61x as on March 31, 2024 (A) due to infusion of funds worth Rs. 9.83 crore by the proprietor.

Satisfactory debt coverage indicators
Debt coverage indicators stood satisfactory, as marked by comfortable PBILDT interest coverage of 4.62x in FY25 (5.55x in FY24) and total debt to GCA (TD/GCA) of 4.96x in FY25 (3.09x in FY24). Moderation in debt to GCA in FY25 was due to higher utilization of the working capital limits.

Liquidity: Stretched

Om Construction's liquidity position remains stretched, as marked by low current and quick ratios as of March 31, 2024 and moderately high utilization of working capital limits. The firm has an OD limit of Rs. 4.50 crore whose average utilization stood at around 80% during last 12 months ended March 2025. The company generated GCA of Rs. 1.26 crore (FY24 audited) and 1.03 crore (FY25 unaudited) vis-à-vis having debt repayment obligation of Rs. 0.93 crore in FY25. The firm has also availed non-fund-based limits of Rs.5.45 crore whose utilisation stood at 35.05% as on March 31, 2025.

Applicable criteria

[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Construction Sector](#)
[Information Adequacy Risk and Issuer Non-Cooperation](#)
[Issuer Ratings](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Om Construction (OMC), located in Nagpur, Maharashtra, was established in 2011 by Mr. Omprakash Ramaji Katre as a sole proprietorship firm. OMC is engaged in the construction of roads and buildings, operating as a contractor in both government and private sectors. The firm is a Class 1 contractor The firm has its own fleet of construction machinery, including batching plants, Poclain machines, backhoe loaders, and Ajax tippers, which helps in execution of road and building projects.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	30.30	20.65
PBILDT*	1.09	1.71
Profit after tax (PAT)	1.03	0.71
Overall gearing (x)	1.61	0.40
Interest coverage (x)	5.21	4.61

A: Audited; UA: Unaudited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Rating-Issuer Ratings	NA		-	-	-	-	0.00	CARE B+; Stable; ISSUER NOT COOPERATING*

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

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 2026-2027	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
1	Issuer Rating-Issuer Ratings	LT	0.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (10-Jun-25)	-	-

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated: Not Applicable

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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About us:
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