Om Construction_Omprakash Ramaji Katre

October 05, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Issuer rating	NA	0.00	-	Reaffirmed at CARE B+; Stable; Issuer Not Cooperating* and withdrawn

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CARE Ratings Ltd (CareEdge Ratings) has reaffirmed and simultaneously withdrawn the outstanding rating of 'CARE B+; Stable; ISSUER NOT COOPERATING' assigned to Om Construction_Omprakash Ramaji Katre (OMC) with immediate effect. The above action has been taken at the request of OMC.

The issuer ratings assigned to Om Construction_Omprakash Ramaji Katre (OMC) is constrained by its constitution as proprietorship firm, small scale of operations albeit improving profitability margins, working capital intensive nature of operations, highly competitive industry, tender driven nature of business, susceptibility of margins towards construction material price volatility. The ratings, however, derive strength from experienced promoters, moderate capital structure, satisfactory debt coverage indicators.

Analytical approach: Standalone

Outlook: Stable.

Detailed description of the key rating drivers:

At the time of last rating on September 02, 2026 the following were the rating weaknesses and strengths (updated based on information available from client)

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.

Small scale of operations albeit improving profitability margins

The scale of operations of the firm has significantly improved due to higher execution of orders as indicated by its total operating income (TOI) albeit remained small of Rs. 40.18 crore in FY26 (Prov.) as against Rs. 20.03 crore in FY25 (A). Consequently, PBILDT margin has improved to 9.46% in FY26 (Prov.) as against 8.73% in FY25. Further, PAT margin has also improved to 6.11% in FY26 (Prov.) from 4.69% in FY25 (A).

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.

[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.

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.

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.

Moderate capital structure and satisfactory debt coverage indicators
With increase in debt levels, the capital structure has although deteriorated but continued to remain moderate with overall gearing ratio of 1.63x as on March 31, 2026, compared to 1.59x as on March 31, 2025. Further, owing to improved overall profitability in absolute terms, debt coverage indicators have also improved, as marked by improved PBILDT interest coverage ratio to 5.46x in FY26 (Prov.) from 3.37x in FY25 and total debt to gross cash accruals (TD/GCA) improving to 2.88 years as on March 31, 2026 (Prov.) from 3.98 years as on March 31, 2025.

Liquidity: Stretched
Om Construction's liquidity position remains stretched as marked by moderate current and quick ratio, low cash and bank balance and low net cash flow from operating activities. Current ratio and quick ratios remained at 1.85x and 1.66x, respectively, as on March 31, 2026. Cash flow from operations improved but remained low to around Rs. 0.69 crore in FY26 (UA) against negative CFO of Rs. 2.45 crore in FY25. Further, the unencumbered cash and bank balance remained low at around Rs. 0.32 crore as on March 31, 2026.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria
Policy on Withdrawal of Ratings
Criteria on Information Adequacy Risk and Issuer Non-Cooperation
CARE Ratings' Policy on Default Recognition
Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Financial Ratios – Non-Financial Sector
Rating Methodology -Construction Sector
CARE Ratings' Criteria on Issuer Ratings
Liquidity Analysis of Non-Financial Sector Entities

About the firm and Industry

Industry classification

Macro-Economic 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, 2025 (A)	March 31, 2026 (Prov.)
Total operating income	20.03	40.18
PBILDT*	1.75	3.80
Profit after tax (PAT)	0.94	2.45
Overall gearing (x)	1.59	1.63
Interest coverage (x)	3.37	5.46

A: Audited Prov.: Provisional; 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

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	Withdrawn

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	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* 2)CARE B+; Stable; ISSUER NOT COOPERATING* (02-Sep-26)	1)CARE BB-; Stable (10-Jun-25)	-	-

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

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

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Shachee Nakul Vyas Assistant Director **CARE Ratings Limited** Phone: 079-40265665 E-mail: shachee.tripathi@careedge.in Foram Dhruv Joshi Lead Analyst **CARE Ratings Limited** Phone: 079-40265687 E-mail: foram.dave@careedge.in Bhumika Baridun Associate Analyst **CARE Ratings Limited** E-mail: Bhumika.baridun@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.