Om Infra Ltd — 30 Mar 2026 Credit Rating Summary

Section	Details
Agency	CARE Ratings Ltd.
Rating Change	**BBB- → BB+** (1 notch downgrade; moved to Sub-Investment/Speculative Grade)
Outlook (Current vs Previous)	**Stable** (Maintained)
Key Drivers of Change	• **Revenue De-growth:** 9MFY26 TOI dropped to ₹311.19 Cr (vs ₹483.49 Cr 9MFY25) due to slow JJM project execution and delayed Govt. approvals. • **Cash Flow Stress:** GCA crashed to ₹9.25 Cr in 9MFY26 (from ₹32.73 Cr in 9MFY25), barely covering ₹8 Cr debt obligations. • **Working Capital Trap:** Average CC utilization at a critical **95.61%**; receivables (including unbilled) remain elevated at ₹277.92 Cr. • **Group Exposure:** Massive ₹429.72 Cr (58% of Net Worth) tied up in subsidiaries/JVs, limiting financial flexibility.
Rated Instruments	• **Non-Fund Based (BG/LC):** ₹623.00 Cr (CARE BB+; Stable / A4+) • **Cash Credit:** ₹89.00 Cr (CARE BB+; Stable) • **Term Loan:** ₹10.62 Cr (CARE BB+; Stable)
Key Observations	• **Positives:** Robust order book of **₹2,500 Cr** (3.8x FY25 revenue) provides long-term visibility. • **Positives:** Dominant market position in niche hydro-mechanical EPC for 5 decades. • **Risks:** Operating cycle elongated from 82 to 141 days; high dependency on JJM scheme extension. • **Risks:** Real estate saleability risk (Pallacia project) and ongoing litigations in BJTRPL/GTPCPL JVs. • **Risks:** Interest coverage remains weak at 1.39x (9MFY26).
Investor Impact	• **Margins:** Absolute EBITDA declining on lower scale; ROE/ROCE under pressure. • **Leverage:** Downgrade to Junk (BB+) will likely increase borrowing costs and restrict access to fresh credit lines. • **Dilution Risk:** Persistent liquidity crunch and high group exposure may necessitate equity fundraise to support working capital.
Agency / Cross Analysis	**Same Agency:** Consistent downward trajectory (BBB in July '24 → BBB- in Sept '25 → BB+ in Mar '26). The agency has systematically lowered the rating as JJM execution failed to materialize and liquidity dried up. • **Conclusion:** Clear **Deterioration**. The rating now reflects a company struggling with "frozen" government projects despite a large paper-order book.
Final Inference	**Real Risk Signal.** The fall below Investment Grade (BBB-) is a major red flag. While the ₹2,500 Cr order book looks attractive, the company is currently "asset-rich but cash-poor," with survival contingent on government fund releases and real estate inventory liquidation.