

May 09, 2025

Katira Construction Ltd.: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	21.00	21.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Fund Based-Term Loan	43.00	43.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Short Term-Non Fund Based	163.00	163.00	[ICRA]A4; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Total	227.00	227.00	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term and Short-Term ratings for the Bank Facility of Katira Construction Ltd. in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Katira Construction Ltd., ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Construction
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Katira Construction Limited was established by Mr. Rasik Katira in 1981 as the proprietorship concern, 'M/s Katira Construction Company'. In April 2003, the firm was reconstituted as a closely held public limited company. The company constructs buildings, houses and roads mainly for government and semi government bodies. At present, it is managed by the Katira and the Thacker families, who have extensive experience, spanning around three decades, in the construction industry.

Some of the contracts completed by the company in the past include the construction of 92 primary schools in Bhuj, Gujarat awarded by “National Council for Cement and Building Materials”, development of roads at Gandhinagar as a part of “Central Vista” project of Government of Gujarat and development of roads under “Pradhan Mantri Gram Sadak Yojna” among others. Besides this, KCL has also executed various contracts floated by the Government of Gujarat for rebuilding earthquake affected city of Bhuj, Gujarat.

In 2017, The Gujarat State Road Transport Corporation (GSRTC) awarded three projects to KCL for construction and maintenance of three bus terminal facilities in Gujarat (Bhuj, Patan and Nadiad) to be implemented after constituting special purpose vehicles. Hence, the company incorporated three new subsidiaries, Katira Cube Transplaza (Bhuj) Private Limited (55% held by KCL), Katira Cube Transplaza (Patan) Private Limited (55% held by KCL) and Katira Infra Projects Private Limited (51% held by KCL). The remaining shares are held by Mr. Birju Shah (26%) who is the founder of Dhairya Construction-Kutch, Mrs. Megha Shah, wife of Mr. Birju Shah (14%) and the promoters of KCL. Further, Katira Construction Ltd. was awarded a similar project by the Vadodara Municipal Corporation in May 2019. The projects entail the construction of a bus terminal facility (BTF) and commercial facilities (Vadodara project also entails construction of residential property; however, its proportion remains small) on the land provided by GSRTC/VMC in consideration for a premium amount, along with operations and maintenance of the BTF for 30 years. Of the total cumulative construction cost (including land) for the Bhuj, Patan and Vadodara projects, the Group had incurred ~25% till December 31, 2020. The Group has received the RERA approvals for the Patan and Vadodara projects. For the Bhuj project, it is yet to receive the master plan approval; post which, the Group would apply for RERA approval. The construction for the Bhuj, Vadodara and Patan projects is expected to get completed by FY2023/FY2024.

Key Financial Indicator

Standalone	FY 2022 (Rs. In Crore)	FY 2023 (Rs. IN Crore)
Operating Income (Rs. crore)	34.4	60.8
PAT (Rs. crore)	2.2	2.6
OPBDITA/OI (%)	25.4%	15.0%
PAT/OI (%)	6.4%	4.3%
Total Outside Liabilities/Tangible Net Worth (times)	5.6	4.5
Total Debt/OPBDITA (times)	3.6	4.4
Interest Coverage (times)	2.9	2.9

Source: MCA

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2026)		Chronology of Rating History for the past 3 years			
		Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in	Date & Rating in FY2024		Date & Rating in FY2023
			May 09, 2025	-	Feb 28, 2024	Dec 27, 2022	Jun 24, 2022
1 Fund Based-Cash Credit	Long Term	21.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable); ISSUER NOT COOPERATING
2 Fund Based-Term Loan	Long Term	43.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable); ISSUER NOT COOPERATING

3 Interchangeable	Short Term	163.00	[ICRA]A4; ISSUER NOT COOPERATING	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A3+; ISSUER NOT COOPERATING
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Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund Based-Cash Credit	Simple
Fund Based-Term Loan	Simple
Interchangeable	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based-Cash Credit	-	-	-	21.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Fund Based-Term Loan	-	-	-	43.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Interchangeable	-	-	-	163.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Katira Construction Ltd.

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Ashish Modani

+91 020 6606 9912

Ashish.modani@icraindia.com

Subhechha Banerjee

+91 33 7150 1130

subhechha.banerjee@icraindia.com

Sweety Shaw

+91-033 7150 1180

sweety.shaw@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 022-61143406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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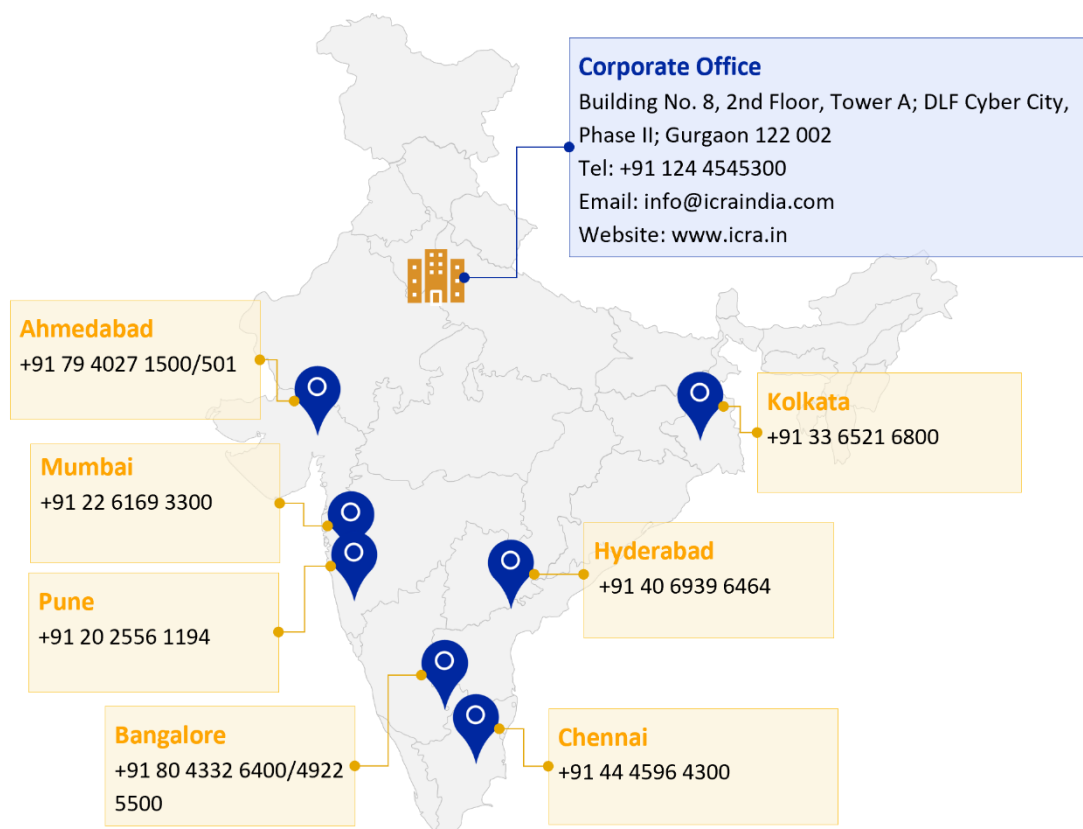


Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001, Telephone Numbers.: +91-11-23357940-45



Branches



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