

Omaxe Limited

March 05, 2021

Rating

| Facilities/Instruments | Amount (Rs. crore) | Ratings | Rating Action |
|--|--|---|--|
| Long Term Bank Facilities | 1,202.00 (Enhanced from 1,200.00) | CARE D (Single D) | Revised from CARE BB+; Stable (Double B Plus; Outlook: Stable) |
| Long Term / Short Term Bank Facilities | 90.00 (Reduced from 115.00) | CARE D (Single D) | Revised from CARE BB+; Stable / CARE A4+ (Double B Plus ; Outlook: Stable / A Four Plus) |
| Total Bank Facilities | 1,292.00 (Rs. One Thousand Two Hundred Ninety-Two Crore Only) | | |
| Long Term Medium Term Instruments | 18.00 (Reduced from 100.00) | CARE D (FD) [Single D (Fixed Deposit)] | Revised from CARE BB+ (FD); Stable [Double B Plus (Fixed Deposit); Outlook: Stable] |
| Long Term Medium Term Instruments | 18.47 (Reduced from 100.00) | CARE D (FD) [Single D (Fixed Deposit)] | Revised from CARE BB+ (FD); Stable [Double B Plus (Fixed Deposit); Outlook: Stable] |
| Total Medium Term Instruments | 36.47 (Rs. Thirty-Six Crore and Forty-Seven Lakhs Only) | | |

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating has been revised on account of delays in servicing of its debt obligations due to stressed liquidity position resulting from the slowdown in real estate market due to covid-19

Key Rating Sensitivity

Positive Factors

- Timely repayment of its debt on timely basis.
- Timely completion of the project within the estimated timelines

Detailed description of the key rating drivers

Key Rating Weaknesses

Delays in servicing of debt obligations

There have been instances of delay in servicing of its debt obligations due to stressed liquidity position. The same was on account of subdued industry scenario which led to slow down in sales and realization from customers.

Subdued real estate scenario coupled with impact of Covid-19

In Real estate sector, prices are likely to remain stagnant and developers will continue to focus on clearing existing inventory rather than launching new projects as they continue to grapple with regulatory changes like Real estate (regulation and development) Act, 2016 (RERA), goods and services tax (GST) and overall subdued demand. In fact, 2020 is expected to be another tough year for real estate developers, given the ongoing liquidity problem, owing to the NBFC crisis. Now, in light of the situation which was created by COVID-19 it had worsened the persisting liquidity crunch in the real estate sector. Various restrictions imposed by the Indian Government to curb the

pandemic had also led to a temporary halt in ongoing real estate projects which also had a domino effect w.r.t. the large scale reverse migration of labourers and disruption in supply chain of materials.

Liquidity: Stretched

The liquidity profile of Omaxe Limited remains weak. Due to mismatch between project receipts vis a vis the debt repayment obligations the liquidity of Omaxe Limited remains constrained. As per the banker, company has availed moratorium as provided by bank in lines with RBI guidelines in wake of COVID-19 pandemic.

Analytical approach: CARE has taken consolidated approach for analyzing Omaxe Ltd which has 101 subsidiaries/ step subsidiaries/ associates which are primarily land holding companies, the details of which are given in Annexure 5.

Applicable Criteria

[CARE's Policy on Default Recognition](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[Criteria for Short Term Instruments](#)

[Rating methodology for Real estate sector](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[CARE's Policy for factoring linkages in ratings](#)

About the Company

Omaxe Ltd was promoted in March 1989 and in August 1999, the company was converted into a public limited company and the name was changed to Omaxe Constructions Ltd and later in 2006, the name of the company was again re-christened as Omaxe Limited. The company is currently engaged in the business of real estate development and has presence across 27 cities in 8 states of India. Omaxe has undertaken various projects in the areas of contractual construction, township development, building of commercial complexes, multi-storied apartments, etc.

Rs.crore

| Brief Financials (Rs. crore) | FY19 (A) | FY20 (A) |
|------------------------------|----------|----------|
| Total operating income | 1191 | 1152 |
| PBILDT | 633 | 586 |
| PAT | 49 | -97 |
| Overall gearing (times) | 1.43 | 1.39 |
| Interest coverage (times) | 1.15 | 1.27 |

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Facilities

| Name of the Instrument | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|-------------------------------------|------------------|-------------|---------------|-------------------------------|---|
| Fund-based - LT-Term Loan | - | - | May 2023 | 887.00 | CARE D |
| Fund-based - LT-Term Loan | - | - | March 2022 | 110.00 | CARE D |
| Fund-based - LT-Cash Credit | - | - | - | 77.00 | CARE D |
| Non-fund-based - LT-Bank Guarantees | - | - | - | 128.00 | CARE D |

| Name of the Instrument | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|------------------------------|------------------|-------------|---------------|-------------------------------|---|
| Non-fund-based - LT/ST-BG/LC | - | - | - | 90.00 | CARE D |
| Fixed Deposit | - | - | - | 18.00 | CARE D (FD) |
| Fixed Deposit | - | - | - | 18.47 | CARE D (FD) |

Annexure-2: Rating History of last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating history | | | |
|---------|--|-----------------|--------------------------------|--------|---|---|--|---|
| | | Type | Amount Outstanding (Rs. crore) | Rating | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 | Date(s) & Rating(s) assigned in 2018-2019 | Date(s) & Rating(s) assigned in 2017-2018 |
| 1. | Fund-based - LT-Term Loan | LT | 887.00 | CARE D | 1)CARE BB+; Stable (03-Apr-20) | - | 1)CARE BBB-; Negative (07-Jan-19) 2)CARE BBB-; Stable (04-Jun-18) | 1)CARE BBB-; Stable (04-Oct-17) |
| 2. | Fund-based - LT-Term Loan | LT | 110.00 | CARE D | 1)CARE BB+; Stable (03-Apr-20) | - | 1)CARE BBB-; Negative (07-Jan-19) 2)CARE BBB-; Stable (04-Jun-18) | 1)CARE BBB-; Stable (04-Oct-17) |
| 3. | Fund-based - LT-Cash Credit | LT | 77.00 | CARE D | 1)CARE BB+; Stable (03-Apr-20) | - | 1)CARE BBB-; Negative (07-Jan-19) 2)CARE BBB-; Stable (04-Jun-18) | 1)CARE BBB-; Stable (04-Oct-17) |
| 4. | Non-fund-based - LT-Bank Guarantees | LT | 128.00 | CARE D | 1)CARE BB+; Stable (03-Apr-20) | - | 1)CARE BBB-; Negative (07-Jan-19) 2)CARE BBB-; Stable (04-Jun-18) | 1)CARE BBB-; Stable (04-Oct-17) |
| 5. | Non-fund-based - LT/ST-BG/LC | LT/ST | 90.00 | CARE D | 1)CARE BB+; Stable / CARE A4+ (03-Apr-20) | - | 1)CARE BBB-; Negative / CARE A3 (07-Jan-19) 2)CARE BBB-; Stable / CARE A3 (04-Jun-18) | 1)CARE BBB-; Stable / CARE A3 (04-Oct-17) |

| | | | | | | | | |
|----|---------------------------------------|----|-------|-------------|-------------------------------------|---|--|-------------------------------------|
| 6. | Fixed Deposit | LT | 18.00 | CARE D (FD) | 1)CARE BB+ (FD); Stable (03-Apr-20) | - | 1)CARE BBB (FD); Negative (07-Jan-19) 2)CARE BBB (FD); Stable (04-Jun-18) | 1)CARE BBB (FD); Stable (04-Oct-17) |
| 7. | Fixed Deposit | LT | 18.47 | CARE D (FD) | 1)CARE BB+ (FD); Stable (03-Apr-20) | - | 1)CARE BBB (FD); Negative (07-Jan-19) 2)CARE BBB (FD); Stable (04-Jun-18) | 1)CARE BBB (FD); Stable (04-Oct-17) |
| 8. | Debentures-Non Convertible Debentures | LT | - | - | - | - | 1)Withdrawn (04-Jun-18) | 1)CARE BBB (SO); Stable (04-Oct-17) |

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable
Annexure 4: Complexity level of various instruments rated for this Firm

| Sr. No. | Name of the Instrument | Complexity Level |
|---------|-------------------------------------|------------------|
| 1. | Fixed Deposit | Simple |
| 2. | Fund-based - LT-Cash Credit | Simple |
| 3. | Fund-based - LT-Term Loan | Simple |
| 4. | Non-fund-based - LT-Bank Guarantees | Simple |
| 5. | Non-fund-based - LT/ ST-BG/LC | Simple |

Annexure 5:

| Name of the company | Type |
|--|------------|
| Anjaniputra Builders Private Limited | Subsidiary |
| Arman Builders Private Limited | Subsidiary |
| Atulah Contractors and Constructions Private Limited | Subsidiary |
| Eden Buildcon Limited (up to 23.05.2019) | Subsidiary |
| Ekansh Buildtech Private Limited | Subsidiary |
| Garv Buildtech Private Limited | Subsidiary |
| Giant Dragon Mart Private Limited | Subsidiary |
| Golden Glades Builders Private Limited | Subsidiary |
| Green Planet Colonisers Private Limited | Subsidiary |
| Hamara Ghar Constructions and Developers Private Limited | Subsidiary |
| Hartal Builders and Developers Private Limited (w.e.f. 14.08.2019) | Subsidiary |
| Jagdamba Contractors and Builders Limited | Subsidiary |
| JKB Constructions Private Limited | Subsidiary |
| JRS Projects Private Limited | Subsidiary |

| | |
|--|-----------------|
| Kamini Builders And Promoters Private Limited | Subsidiary |
| Kashish Buildtech Private Limited | Subsidiary |
| Kavya Buildtech Private Limited | Subsidiary |
| Landlord Developers Private Limited | Subsidiary |
| Link Infrastructure and Developers Private Limited | Subsidiary |
| Mehboob Builders Private Limited | Subsidiary |
| Mehtab Infratech Private Limited | Subsidiary |
| Monarch Villas Private Limited | Subsidiary |
| National Affordable Housing and Infrastructure Limited | Subsidiary |
| Navratan Techbuild Private Limited | Subsidiary |
| Oasis Township Private Limited | Subsidiary |
| Omaxe Buildhome Limited | Subsidiary |
| Omaxe Buildwell Limited | Subsidiary |
| Omaxe Connaught Place Mall Limited | Subsidiary |
| Omaxe Entertainment Limited | Subsidiary |
| Omaxe Forest Spa and Hills Developers Limited | Subsidiary |
| Omaxe Heritage Private Limited | Subsidiary |
| Omaxe Hitech Infrastructure Company Private Limited | Subsidiary |
| Omaxe Housing and Developers Limited | Subsidiary |
| Omaxe Housing And Infrastructure Limited | Subsidiary |
| Omaxe Infotech City Developers Limited | Subsidiary |
| Omaxe Infrastructure Limited | Subsidiary |
| Omaxe International Bazaar Private Limited | Subsidiary |
| Omaxe New Chandigarh Developers Private Limited | Subsidiary |
| Omaxe New Faridabad Developers Private Limited | Subsidiary |
| Omaxe Power Private Limited | Subsidiary |
| Omaxe Rajasthan SEZ Developers Limited | Subsidiary |
| Omtech Infrastructure and Construction Limited | Subsidiary |
| Pam Developers (India) Private Limited | Subsidiary |
| Pancham Realcon Private Limited | Subsidiary |
| Panchi Developers Private Limited | Subsidiary |
| PP Devcon Private Limited | Subsidiary |
| Primordial Buildcon Private Limited | Subsidiary |
| Rivaj Infratech Private Limited | Subsidiary |
| Robust Buildwell Private Limited | Subsidiary |
| Rohtas Holdings (Gulf) Limited | Subsidiary |
| Shamba Developers Private Limited | Subsidiary |
| Shikhar Landcon Private Limited | Subsidiary |
| Sri Balaji Green Heights Private Limited | Subsidiary |
| Zodiac Housing and Infrastructure Private Limited | Subsidiary |
| Aadhira Developers Private Limited | Step Subsidiary |
| Aashna Realcon Private Limited | Step Subsidiary |
| Aradhya Real Estate Private Limited | Step Subsidiary |

| | |
|--|-----------------|
| Ashray Infrabuild Private Limited | Step Subsidiary |
| Ayush Landcon Private Limited | Step Subsidiary |
| Bhanu Infrabuild Private Limited | Step Subsidiary |
| Caspian Realtors Private Limited | Step Subsidiary |
| Chapal Buildhome Private Limited | Step Subsidiary |
| Daman Builders Private Limited | Step Subsidiary |
| Damodar Infratech Private Limited | Step Subsidiary |
| Davesh Technobuild Private Limited | Step Subsidiary |
| Dhanu Real Estate Private Limited | Step Subsidiary |
| Dinkar Realcon Private Limited | Step Subsidiary |
| Ekapad Developers Private Limited | Step Subsidiary |
| Hemang Buildcon Private Limited | Step Subsidiary |
| Hiresh Builders Private Limited | Step Subsidiary |
| Manit Developers Private Limited | Step Subsidiary |
| NRI City Developers Private Limited | Step Subsidiary |
| Rupesh Infratech Private Limited | Step Subsidiary |
| Sanvim Developers Private Limited | Step Subsidiary |
| Sarthak Landcon Private Limited | Step Subsidiary |
| Sarva Buildtech Private Limited | Step Subsidiary |
| Shubh Bhumi Developers Private Limited | Step Subsidiary |
| Silver Peak Township Private Limited | Step Subsidiary |
| Aarzo Technobuild Private Limited | Step Subsidiary |
| Abheek Builders Private Limited | Step Subsidiary |
| Radiance Housing and Properties Private Limited | Step Subsidiary |
| Ashok Infrabuild Private Limited | Step Subsidiary |
| Glacier Agro Foods Products Private Limited | Step Subsidiary |
| Tejpal Infra Developers Private Limited | Step Subsidiary |
| S N Realtors Private Limited | Step Subsidiary |
| Oasis Suncity Realtors Private Limited | Step Subsidiary |
| Reliable Manpower Solutions Limited | Step Subsidiary |
| RPS Suncity Promoters and Developers Private Limited | Step Subsidiary |
| Satvik Hitech Builders Private Limited | Step Subsidiary |
| Omaxe India Trade Centre Private Limited | Step Subsidiary |
| Aviral Colonizers Private Limited | Step Subsidiary |
| Satkar Colonisers Private Limited | Step Subsidiary |
| Utkrisht Real Estate and Associates Private Limited | Step Subsidiary |
| Abhas Realcon Private Limited | Step Subsidiary |
| Adesh Realcon Private Limited | Step Subsidiary |
| Anveshan Builders Private Limited | Step Subsidiary |
| Navadip Developers Private Limited | Step Subsidiary |
| Capital Redevelopment Private Limited | Associate |
| Parkash Omaxe Amusement Park Private Limited | Associate |

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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