

## Omaxe Limited

August 12, 2022

### Rating

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	418.83	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BB; Stable (Double B; Outlook: Stable)
Long Term / Short Term Bank Facilities	42.71	CARE BBB-; Stable / CARE A3 (Triple B Minus ; Outlook: Stable/ A Three)	Revised from CARE BB; Stable / CARE A4 (Double B ; Outlook: Stable / A Four)
<b>Total Bank Facilities</b>	<b>461.54</b> <b>(₹ Four Hundred Sixty- One Crore and Fifty- Four Lakhs Only)</b>		
Fixed Deposit	9.05	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BB; Stable (Double B; Outlook: Stable)
Fixed Deposit	3.00	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BB; Stable (Double B; Outlook: Stable)
<b>Total Medium Term Instruments</b>	<b>12.05</b> <b>(₹ Twelve Crore and Five Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

The revision in the ratings of Omaxe Limited factors in the healthy sales and collection momentum during FY22 (refers to the period April, 2022 to June 30, 2022) which led to improvement in the liquidity position of the company. The ratings, further continues to derive strength from experienced promoters with established track record in real estate sector and improved operational performance, healthy cash coverage ratio and overall gearing ratio along with adequate liquidity position.

The ratings, however, continues to remain exposed to execution and saleability risk for ongoing projects along with new launches, high cost of borrowing, continued Net Losses in FY21 and FY22, high debt repayment in FY22 and FY23 offset by adequate liquidity buffer and undrawn debt lines, inherent risk associated with Real Estate sector, cyclicity and seasonality associated with real estate industry and exposure to local demand-supply dynamic.

### Rating Sensitivities

#### Positive Factors - Factors that could lead to positive rating action/upgrade:

- Timely completion of the project within the estimated timelines
- Decline in total debt level below Rs. 1000 crore on sustained basis.
- Increase in quarterly collections beyond 450 crore on sustained basis

#### Negative Factors- Factors that could lead to negative rating action/downgrade:

- Decline in quarterly collections beyond 200 crore on sustained basis.
- Aggressive project launches leading to higher-than-envisioned escalation of total debt

### Detailed description of the key rating drivers

#### Key Rating Strengths

##### Experienced promoters with established track record in real estate sector

Omaxe derives strength from the experience of the founder promoter, Mr Rohtas Goel, who holds a Diploma in Civil Engineering and has an experience of over two decades in the field of construction and real estate development. The promoter group held 74.15% stake in Omaxe as on March 31, 2022. Omaxe has a track record of successful completion of real estate projects, including development of township, group housing, commercial complexes, etc. As of March 31, 2022, Omaxe has a track record of executing 129.25 msf as a real estate developer and as third-party contractor.

##### Healthy cash coverage ratio and comfortable gearing

The financial risk profile of Omaxe group is characterized by modest debt position and comfortable gearing. The group has continued to maintain comfortable overall gearing of 1.39x as on March 31, 2022 (PY: 1.54x). In the last two financial years, Omaxe has repaid net Rs. 550 Crores to lenders as principal payment and reduced its debt from Rs. 1400 Crores to ~Rs. 850 Crores as on March 31, 2022. However, in Q1FY23 the debt level has increased due to issuance of NCDs of Rs. 440 crore (out of which Rs.340cr is raised till Jun 30, 2022) taken from Varde Partners. The healthy net worth base of the group maintains the

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

capital structure comfortable. Based on the strong booking achieved during FY22 along with improvement in average realizations, collection is expected to significantly increase in FY23 thereby leading to improvement in cash coverage ratio. The CCR (excl. op. cash balance) is estimated to be healthy in the range of 1.3x-3.4x during Q1FY23 to Q4FY25 period.

### **Healthy collections leading to prepayment of term loans**

The company had collections of Rs.1912 crores in FY22 as against Rs.1295 crores in FY21. Further during the last three months ending Jun 30, 2022 company has achieved collections of Rs.450 crores with average monthly collection of ~Rs.150 crores (PY: ~Rs.107 crores). Due to consistently healthy collections, in last two financial years, Omaxe has repaid net Rs. 550 Crores to lenders as principal payment and reduced its debt from Rs. 1400 Crores to ~Rs. 850 Crores as on March 31, 2022. Further, the average unit realization has witnessed improvement in FY22 as compared to FY21. The company sold 1.62 mn sqft valued at Rs 1266 crore in FY22 (vis-à-vis 2.73 mn sqft valued at Rs 2051 crore in FY21) The major sales pertains to New Chandigarh, Lucknow, Faridabad, New Delhi, Ludhiana. It comprises of 1.09 mn sqft valued at Rs 466 crore in residential and 0.53 mn sqft valued at Rs. 800 crore in commercial segment. Apart from this the company has raised debt of Rs.340cr during Q1FY23 (out of sanctioned debt of Rs.440cr) against its Chandni Chowk project specifically. The said project has substantial receivable, majority of which will be realized at the completion of the project. Therefore with the expected completion of the project at the end of Q4FY23 or Q1FY24, the company is hopeful of major reduction in debt with the bullet repayment of Rs.340cr of debt.

### **Stable industry outlook for Real Estate market**

India's realty sector is showing signs for healthy growth in 2022. The pandemic has helped residential real estate to bounce back, and the recovery was fabulous. The recovery has been attributed to people having to work from home. The rise in salaries has led to people spending more on bigger and better properties over the last year. While some sectors in Real Estate have done pretty well, it has largely been a mixed bag. However, with a rising residential sector, there may be price rise soon. With demand shooting up, developers are expecting buyers to pay more.

### **Key Rating Weaknesses**

#### **Execution and saleability risk for ongoing projects along with new launches**

As on April 30, 2022, Omaxe is executing 30 projects in township, group housing (GH) and commercial segments. At aggregate level, the company is yet to incur 35% of the total cost which is Rs. 4510 crore. The company has sold out 51.28 mn sq ft (~82%) out of the total saleable area of 62.16 mn sq ft as on March 31, 2022 for a sale price of Rs 14999crore and has received Rs 10893 crore. Further, the group plans to launch some projects in the medium term with significant saleable area which poses project execution risk. Although most of the debt required to finance the project has been tied up, Omaxe group will be significantly relying on customer advances and healthy front-loaded collection for executing the same. Timely execution of the new projects would be a key monitorable going forward.

#### **High cost of borrowing**

The debt taken by the group to fund the ongoing projects constitutes high cost of borrowing ranging ~14%-15%. Also, the funding from Varde partners i.e NCDs of Rs.440 crores constitutes IRR of ~18% which was partially used in the prepayment of debt and partially for the completion of its Chandni Chowk project in Delhi, scheduled for delivery in FY23. Apart from this the company has large amount of BG limits with 100% cash margin, which further impact the liquidity position of the company. Therefore going forward, the reduction in interest cost along with the release of margin money from BG limit, will be key monitorable and will help the company to improve the liquidity position.

#### **Continued Net Losses in FY21 and FY22**

The group suffered net losses in FY21 and FY22 as there has been change in the accounting policy from 'Percentage of completion method' to 'Completed Contract method' wherein revenue is recognized on completion of the project. Adoption of Ind AS has affected inventory measurement, taxes, provisions, leases, financial instruments and other key financials. Further, Covid-19 induced lockdown led to movement of construction workers thereby adversely affecting construction activity which resulted in reduced revenue recognition. Though, it continued to incur various fixed cost such as administrative, selling & general expense, lease rent, interest cost & other office expenses besides the higher operational cost due to social distancing, sanitization, security and thermal cost etc.

#### **High debt repayment in FY22 and FY23 offset by adequate liquidity buffer**

The group has high debt repayment of Rs. 415.85 crores in FY23 for the ongoing projects. However, in the last two financial years, Omaxe has repaid net Rs. 550 Crores to lenders as principal payment and reduced its debt from Rs. 1400 Crores to ~Rs. 850 Crores as on March 31, 2022. The group has sufficient cushion available for meeting its debt obligations as the debt repayments in FY23 for the group amounted to Rs 415.85 crore. The group has already repaid debt of Rs.220 crores during Q1FY23 partially funded through the customer collection and partially through refinancing. Also, the group has unencumbered cash and bank balance of Rs.126.55 crores as on March 31, 2022 and ~Rs.150 crores as on June 30, 2022 along with the undisbursed amount of ~Rs.100 crores as on June 30, 2022.

#### **Inherent risk associated with Real Estate sector**

For Real Estate sector, with consumers becoming more discerning, ready-to-move-in homes will be the main demand drivers in the coming period as well. Developers will continue to focus on reducing their present inventory, before launching new projects. The developer's track record, quality of construction and delivery timelines, will be crucial aspects that home buyers will consider,

in their purchase decisions. With RERA in place, the investment environment is also expected to improve. The expected capital inflow would help the segment.

#### **Cyclicality and seasonality associated with real estate industry and exposure to local demand-supply dynamic**

The company is exposed to the cyclicality associated with real estate sector which has direct linkage with the general macroeconomic scenario, interest rates and level of disposable income available with individuals. In case of real estate companies, the profitability is highly dependent on property markets. This exposes these companies to the vagaries of property markets. A high interest rate scenario could discourage the consumers from borrowing to finance the real estate purchases and may depress the real estate market.

#### **Liquidity: Adequate**

The group has sufficient cushion available for meeting its debt obligations as the debt repayments in FY23 for the group amounted to Rs 415.85 crore. The group has already repaid debt of Rs.220 crores during Q1FY23 partially funded through the customer collection and partially through refinancing. Therefore, given the average monthly collection of Rs.150cr and remaining debt repayment of ~Rs.195 crores, the liquidity appears adequate. Further the future cash flow are supported by the receivable of Rs.4106 crores as on April 30, 2022 from confirmed sales along with the unsold inventory of Rs.6549 crores.

#### **Analytical approach:**

CARE has taken consolidated approach for analyzing Omaxe Ltd which has 115 subsidiaries/ step subsidiaries/ associates which are primarily land holding companies, the details of which are given in Annexure 6

#### **Applicable Criteria**

[Policy on default recognition](#)

[Consolidation](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Rating methodology for Real estate sector](#)

#### **About the Company**

Omaxe Ltd was promoted in March 1989 and in August 1999, the company was converted into a public limited company. The name was changed to Omaxe Constructions Ltd and later in 2006, the name of the company was again rechristened 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.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23*
<b>Total operating income</b>	475.70	617.80	NA
<b>PBILD</b>	-99.76	-43.69	NA
<b>PAT</b>	-235.21	-161.61	NA
<b>Overall gearing (times)</b>	1.54	1.39	NA
<b>Interest coverage (times)</b>	-0.62	-0.36	NA

A: Audited; NA: Not Available

\*refers to the period from April 1, 2022 to June 30, 2022.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure- 4

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	May 2023	175.06	CARE BBB-; Stable
Fund-based - LT-Term Loan*		-	-	-	100.00	CARE BBB-; Stable
Fund-based - LT-Cash Credit		-	-	-	13.78	CARE BBB-; Stable
Non-fund-based - LT-Bank Guarantee		-	-	-	129.99	CARE BBB-; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	42.71	CARE BBB-; Stable / CARE A3
Fixed Deposit		-	-	-	9.05	CARE BBB-; Stable
Fixed Deposit		-	-	-	3.00	CARE BBB-; Stable

\*Proposed loan

**Annexure-2: Rating history for the 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	175.06	CARE BBB-; Stable	-	1)CARE BB; Stable (07-Jan-22) 2)CARE BB; Stable (18-Nov-21)	1)CARE D (05-Mar-21) 2)CARE BB+; Stable (03-Apr-20)	-
2	Fund-based - LT-Term Loan	LT	100.00	CARE BBB-; Stable	-	1)CARE BB; Stable (07-Jan-22) 2)CARE BB; Stable (18-Nov-21)	1)CARE D (05-Mar-21) 2)CARE BB+; Stable (03-Apr-20)	-
3	Fund-based - LT-Cash Credit	LT	13.78	CARE BBB-; Stable	-	1)CARE BB; Stable (07-Jan-22) 2)CARE BB; Stable (18-Nov-21)	1)CARE D (05-Mar-21) 2)CARE BB+; Stable (03-Apr-20)	-
4	Non-fund-based - LT-Bank Guarantee	LT	129.99	CARE BBB-; Stable	-	1)CARE BB; Stable (07-Jan-22) 2)CARE BB; Stable (18-Nov-21)	1)CARE D (05-Mar-21) 2)CARE BB+; Stable (03-Apr-20)	-
5	Non-fund-based - LT/ ST-BG/LC	LT/ST*	42.71	CARE BBB-; Stable / CARE A3	-	1)CARE BB; Stable / CARE A4 (07-Jan-22)	1)CARE D (05-Mar-21) 2)CARE BB+; Stable / CARE A4+ (03-Apr-20)	-

						2)CARE BB; Stable / CARE A4 (18-Nov- 21)		
6	Fixed Deposit	LT	9.05	CARE BBB-; Stable	1)CARE BB; Stable (22-Jun-22)	1)CARE BB (FD); Stable (07-Jan-22)  2)CARE BB (FD); Stable (18-Nov- 21)	1)CARE D (FD) (05-Mar-21)  2)CARE BB+ (FD); Stable (03-Apr-20)	-
7	Fixed Deposit	LT	3.00	CARE BBB-; Stable	1)CARE BB; Stable (22-Jun-22)	1)CARE BB (FD); Stable (07-Jan-22)  2)CARE BB (FD); Stable (18-Nov- 21)	1)CARE D (FD) (05-Mar-21)  2)CARE BB+ (FD); Stable (03-Apr-20)	-

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable

**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of 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 Guarantee	Simple
5	Non-fund-based - LT/ ST-BG/LC	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Annexure 6: List of Subsidiaries**

A.	Subsidiaries of Omaxe Limited
1	Anjaniputra Builders Private Limited
2	Arman Builders Private Limited
3	Atulah Contractors and Constructions Private Limited
4	Ekansh Buildtech Private Limited
5	Omaxe Garv Buildtech Private Limited
6	Giant Dragon Mart Private Limited
7	Golden Glades Builders Private Limited
8	Green Planet Colonisers Private Limited
9	Hamara Ghar Constructions and Developers Private Limited
10	Hartal Builders and Developers Private Limited
11	Jagdamba Contractors and Builders Limited
12	JKB Constructions Private Limited
13	JRS Projects Private Limited
14	Kamini Builders And Promoters Private Limited
15	Kashish Buildtech Private Limited
16	Kavya Buildtech Private Limited
17	Landlord Developers Private Limited
18	Link Infrastructure and Developers Private Limited
19	Mehboob Builders Private Limited
20	Mehtab Infratech Private Limited
21	Monarch Villas Private Limited
22	National Affordable Housing and Infrastructure Limited
23	Navratan Techbuild Private Limited
24	Oasis Township Private Limited
25	Omaxe Buildhome Limited
26	Omaxe Buildwell Limited

27	Omaxe Indore Developers Limited (formerly known as Connaught Place Mall Limited)
28	Omaxe Entertainment Limited
29	Omaxe Forest Spa and Hills Developers Limited
30	Omaxe Heritage Private Limited
31	Omaxe Hitech Infrastructure Company Private Limited
32	Omaxe Housing and Developers Limited
33	Omaxe Housing And Infrastructure Limited
34	Omaxe Infotech City Developers Limited
35	Omaxe Infrastructure Limited
36	Omaxe International Bazaar Private Limited
37	Omaxe New Chandigarh Developers Private Limited
38	Omaxe New Faridabad Developers Private Limited
39	Omaxe Power Private Limited
40	Omaxe Rajasthan SEZ Developers Limited
41	Omtch Infrastructure and Construction Limited
42	Pam Developers (India) Private Limited
43	Omaxe Pancham Realcon Private Limited
44	Panchi Developers Private Limited
45	PP Devcon Private Limited
46	Primordial Buildcon Private Limited
47	Rivaj Infratech Private Limited
48	Omaxe World Street Private Limited
49	Rohtas Holdings (Gulf) Limited
50	Shamba Developers Private Limited
51	Shikhar Landcon Private Limited
52	Aashna Realcon Private Limited (w.e.f. 03.01.2022)
53	Aradhya Real Estate Private Limited (w.e.f. 03.01.2022)
54	Ayush Landcon Private Limited (w.e.f. 03.01.2022)
55	Chapal Buildhome Private Limited (w.e.f. 03.01.2022)
56	Dhanu Real Estate Private Limited (w.e.f. 03.01.2022)
57	Sarthak Landcon Private Limited (w.e.f. 03.01.2022)
58	Sarva Buildtech Private Limited (w.e.f. 03.01.2022)
59	Silver Peak Township Private Limited (w.e.f. 03.01.2022)
60	MR Real Estate Private Limited (w.e.f. 03.01.2022)
61	Nexten (I) Growth Private Limited (w.e.f. 03.01.2022)
62	Nexten Infra Growth Private Limited (w.e.f. 03.01.2022)
63	Nexten Infra Private Limited (w.e.f. 03.01.2022)
64	Nexten Real Growth Private Limited (w.e.f. 03.01.2022)
65	Nexten Super Growth Private Limited (w.e.f. 03.01.2022)
66	Sri Balaji Green Heights Private Limited
67	Zodiac Housing and Infrastructure Private Limited
68	Dreamze New Faridabad Developers LLP (w.e.f. 11.12.2020)
<b>B.</b>	<b>Subsidiaries of Omaxe New Chandigarh Developers Private (Step Subsidiaries)</b>
1	Aadhira Developers Private Limited
2	Aashna Realcon Private Limited (upto 02.01.2022)
3	Aradhya Real Estate Private Limited (upto 02.01.2022)
4	Ashray Infrabuild Private Limited
5	Ayush Landcon Private Limited (upto 02.01.2022)
6	Bhanu Infrabuild Private Limited
7	Caspian Realtors Private Limited
8	Chapal Buildhome Private Limited (upto 02.01.2022)
9	Daman Builders Private Limited
10	Damodar Infratech Private Limited
11	Davesh Technobuild Private Limited
12	Dhanu Real Estate Private Limited (upto 02.01.2022)
13	Dinkar Realcon Private Limited
14	Ekapad Developers Private Limited
15	Hemang Buildcon Private Limited
16	Hiresh Builders Private Limited
17	Manit Developers Private Limited
18	NRI City Developers Private Limited
19	Rupesh Infratech Private Limited
20	Sanvim Developers Private Limited

21	Sarthak Landcon Private Limited (upto 02.01.2022)
22	Sarva Buildtech Private Limited (upto 02.01.2022)
23	Shubh Bhumi Developers Private Limited
24	Silver Peak Township Private Limited (upto 02.01.2022)
<b>C.</b>	<b>Subsidiaries of Bhanu Infrabuild Private Limited (Step Subsidiaries)</b>
1	Aarzo Technobuild Private Limited
2	Abheek Builders Private Limited
3	Radiance Housing and Properties Private Limited
<b>D.</b>	<b>Subsidiaries of Omaxe Garv Buildtech Private Limited (Step Subsidiaries)</b>
1	Ashok Infrabuild Private Limited
2	Glacier Agro Foods Products Private Limited
3	Tejpal Infra Developers Private Limited
<b>E.</b>	<b>Subsidiary of Navratan Tech Build Private Limited (Step Subsidiaries)</b>
1	S N Realtors Private Limited
<b>F.</b>	<b>Subsidiaries Omaxe Buildhome Limited (Step Subsidiaries)</b>
1	Oasis Suncity Realtors Private Limited
2	Reliable Manpower Solutions Limited
3	RPS Suncity Promoters and Developers Private Limited
<b>G.</b>	<b>Subsidiary of Omaxe Forest SPA and Hills Developers Limited (Step Subsidiaries)</b>
1	Satvik Hitech Builders Private Limited
<b>H.</b>	<b>Subsidiary of Pam Developers (India) Private Limited</b>
1	Omaxe India Trade Centre Private Limited
<b>I.</b>	<b>Subsidiaries of Omaxe Pancham Realcon Private Limited (Step Subsidiaries)</b>
1	Aviral Colonizers Private Limited
2	Satkar Colonisers Private Limited
3	Utkrisht Real Estate and Associates Private Limited
<b>J.</b>	<b>Subsidiaries of Omaxe World Street Private Limited (Step Subsidiaries)</b>
1	Abhas Realcon Private Limited
2	Adesh Realcon Private Limited
3	Anveshan Builders Private Limited
4	Navadip Developers Private Limited
<b>K</b>	<b>Associates</b>
1	Capital Redevelopment Private Limited
2	Parkash Omaxe Amusement Park Private Limited
3	Shine Grow New Faridabad LLP (w.e.f. 09.12.2020)
4	FBD Real Grow Private Limited (w.e.f. 03.01.2022)

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

## Contact us

### Media Contact

Name – Mr. Mradul Mishra  
Contact no. - +91-22-6754 3596  
Email ID - [mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

### Analyst Contact

Group Head Name – Mr. Amit Jindal  
Group Head Contact no.- +91- 11-4533 3242  
Group Head Email ID- [amit.jindal@careedge.in](mailto:amit.jindal@careedge.in)

### Relationship Contact

Name: Ms. Swati Agrawal  
Contact no.: +91-11-4533 3200  
Email ID: [swati.agrawal@careedge.in](mailto:swati.agrawal@careedge.in)

### About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

### Disclaimer

The ratings issued by CARE Ratings Limited 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. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited 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. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careedge.in](http://www.careedge.in)**