Organo Eco Habitats Private Limited

April 01, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	25.00 (Reduced from 100.00)	CARE BB+; Stable	Reaffirmed; Outlook revised from Positive

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the rating assigned to the bank facilities of Organo Eco Habitats Private Limited (Organo) is constrained by sizeable project additions with ongoing projects under various stages of construction thereby exposing to project risk in terms of construction and saleability coupled with a high reliance on customer advances additional debt (Rs.175 crore; albeit with Rs.75 crore in subsidiary for new projects) to fund the remaining portion of the project and to meet debt repayment. Further, despite improvement in absolute sales, the company continues to have elevated inventory levels, with sizeable unsold inventory of ~₹376 crore in new projects and a large portion of units yet to be sold in ongoing projects. The expansion in saleable area from ~21.2 lakh sq. ft. to ~40.28 lakh sq. ft. with resultant increase in total cost of the project to Rs.1711 crore in the current review to Rs.1081 considered previously, thus has increased dependence on sustained sales momentum and future customer realisations. The presence of uneven sales traction across projects, particularly relatively lower absorption in certain phases such as Aloor Phase I, further accentuates the risk of inventory overhang. Additionally, the company faces high geographical concentration risk, with all ongoing projects located in Chevella Mandal, Hyderabad, and remains exposed to the inherent cyclicality of the real estate sector.

However, the rating derives strength from experienced promoters with a long-standing presence in the real estate industry, along with the company's focus on environmentally friendly and sustainable residential villas, which are equipped with modern amenities. The company also benefits from having major regulatory approvals in place for its projects except Kandawada-2. Furthermore, the rating is supported by a satisfactory booking status in projects such as Organo - Ibrahimpalle (Phase - I & II and the successful completion of the Antharam-1 project.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Completion of construction of project within the prescribed timelines along with sales of more than 65% in all the ongoing project in a timely manner.
- Efficient collection from the sold units and sales of the remaining unsold area.

Negative factors

- Delay in project execution or slowdown in sales velocity leading to unsold inventory.
- Cost overruns or unforeseen delays in the completion of the project beyond the Real Estate Regulatory Authority (RERA) completion due date.

Analytical approach: Standalone

Outlook: Stable

The revision in outlook from positive to stable is on account of slower sales velocity with increase in overall saleable area and cost of project, with sizeable unsold inventory. The revision also factors in high reliance on customer advances and additional debt to fund the remaining portion of the project.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key weaknesses

Sizeable projects under pipeline with execution and funding risks

Organo has large projects under development (including the newly added projects) of ~40.28 lakh square feet (lsf) across multiple residential projects with a total estimated project cost of around ₹1,711 crore which has increased from Rs.1081 crore as on December 31, 2024. As of December 2025, only about 44% of the total project cost has been incurred, indicating that a significant portion of execution remains pending. While execution has progressed in select projects such as Antharam Phase I (~100% completed) and Kandawada Phase I (~65% completion), a considerable part of the portfolio is in early to mid-stages. Given the scale of ongoing and upcoming projects, the company remains exposed to execution risks, cost overruns, and timely completion risks, which will be key monitorable.

Moderate sales traction and elevated inventory levels across projects

Consequent to the addition of new projects, the company's total saleable area has nearly doubled to 40.28 lakh square feet from 21.2 lakh square feet, while sales performance has improved significantly year-on-year, with total area sold increasing to ~21.25 lakh square feet from ~10.39 lakh square feet. In value terms, sales rose sharply to ~₹966.94 crore from ~₹498.1 crore, supported by improved booking momentum, while collections more than doubled to ~₹666.58 crore from ~₹239.04 crore, indicating better sales velocity. For the ongoing project, units sold improved to 311 as against 198 in the previous year, translating into sales of ~50% of total inventory versus ~30% earlier, although unsold inventory remains sizeable and sales velocity has been modest at ~6 units per quarter over the past 12 months. For the newly added projects, bookings improved from nil to 112 units out of 193 units (~58%), generating cumulative sales of ~₹272 crore; however, receivables of ~₹140 crore and unsold inventory of ~₹585 crore indicate a significant inventory overhang at an early stage. Overall, despite strong improvement in sales and collections compared to the previous review, the sharp expansion in saleable area and inventory base has increased reliance on sustained sales traction for timely monetisation of the enlarged portfolio.

High reliance on customer advances for project funding

The company continues to depend significantly on customer advances to fund project execution, with customer advances forming a substantial portion of total funding (₹1,000 crore out of ₹1711 crore deployed). Given that only around 44% of the total project cost has been incurred, a large portion of future funding requirements remains, which is expected to be met through collections from customers. This exposes the company to sales-linked liquidity risks, particularly in projects where sales traction remains moderate.

Further, the company has experienced satisfactory bookings, supported by its strong positioning with target customers. Given the current pace of execution and the regular inflow of customer advances, the company anticipates completing its projects ahead of the RERA deadline. Additionally, the company has four upcoming projects in the pipeline. These projects are significantly larger compared to the company's past developments, exposing it to construction and saleability risks.

Moderation in committed receivable coverage indicating reliance on future sales

The company's committed receivable coverage has weakened on December 31, 2025, compared to December 31, 2024. The ratio of committed receivables to balance cost and outstanding debt declined to ~27% in FY25 from ~110% in FY24, indicating a reduced buffer from already sold inventory. Although the coverage improves to ~157% when including value of unsold inventory, the dependence on future sales realisations remains high, exposing the company to risks in case of slowdown in sales velocity.

Susceptibility to cyclicality of the real estate sector

The real estate sector remains inherently cyclical and sensitive to macroeconomic factors such as economic growth, interest rates, and consumer sentiment. Any slowdown in economic activity or tightening of liquidity conditions may impact sales velocity, pricing, and collections, thereby affecting the company's cash flows and project execution.

Key strengths

Experienced promoters with established track record in real estate development

The promoters of Organo have been associated in architectural & designing services for high-end residential & commercial projects for more than two decades. Later in 2020, the promoter entered into constructing residential projects which are eco-friendly and sustainable in nature. Organo's day-to-day operations are looked after by Nagesh Kumar Battula and Adigopula Vijaya Durga along with a team of experienced professionals The group has developed around ~21 lakh square feet of saleable area historically and the successful execution of projects such as Antharam Phase I (100% sold and completed) demonstrates execution capability.

Scale-up in operations with improving profitability

The company has witnessed a strong scale-up in operations, with income from operations increasing from ₹106.54 crore in FY24 to ₹126.48 crore in FY25, and further to ₹199.76 crore in 9MFY26, reflecting improved execution and sales traction. Profitability

has also improved, with PBILDT increasing from ₹12.28 crore in FY24 to ₹20.28 crore in FY25, with margins improving to 16.03% in FY25 from 11.52% in FY24. The company reported PBILDT of ₹28.27 crore in 9MFY26, indicating continued improvement in operating performance.

Liquidity: Adequate

Liquidity is adequate, supported by collections from sold inventory and expected cash flows from ongoing projects. The company has cash and cash equivalent of Rs.9.64 crore as on December 31, 2025, against obligations of around ₹52.26 crore due over the next four quarters. During March 2026, receivables from sold inventory stand at around ₹300 crore, providing visibility for near-term cash inflows.

Additionally, the value of unsold inventory under development remains sizeable at around ₹1462 crore, which provides potential cash flow support, subject to timely sales realisation. However, liquidity continues to remain dependent on sustained sales momentum and timely receipt of customer advances, given the company's reliance on customer collections for funding project execution. The committed receivable coverage has moderated to around 27% as on December 31, 2025 from 110% as on December 31, 2024, indicating reduced cushion from booked sales.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Rating methodology for Real estate sector

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Organo Eco Habitats Private Limited (Organo) was incorporated in 2001 under the name of Fountainhead Architects Pvt Ltd, and later in 2012 the name was changed to Fountainhead Consultant Pvt Ltd and further was renamed to current nomenclature. The company is promoted by Nagesh Kumar Battula and Adigopula Vijaya Durga. Organo started its business by providing architectural and interior designing services for high-end residential projects, hospitality, commercial spaces, and others in Telangana. Later in 2020, the company started constructing residential projects which are eco-friendly and sustainable and slowly stopped its architectural and interior designing services for its clients. Currently, the overall operations are managed by Nagesh Kumar Battula and Adigopula Vijaya Durga with the support of the second level management team. Organo is currently developing 40.28 lsf of real estate projects in Hyderabad location.

Particular	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	106.54	126.48	199.76
PBILDT	12.28	20.28	28.27
PAT	4.82	6.15	13.09
Overall gearing (times)	4.39	6.25	-
Interest coverage (times)	1.90	1.51	-

A: Audited UA: Unaudited; 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

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

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 and Rating Outlook
Fund-based - LT-Term Loan		-	-	31/12/2026	25.00	CARE BB+; Stable

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	25.00	CARE BB+; Stable	1)CARE BB+; Positive (09-Apr-25)	-	1)CARE BB+; Stable (04-Mar-24)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: 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.

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