November 17, 2015

CARE REAFFIRMES RATINGS ASSIGNED TO BANK FACILITIES, NCD AND FIXED DEPOSITS OF OMAXE LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Long-term Bank Facilities	1040.00 (enhanced from Rs.865 cr)	**CARE BBB- (Triple B Minus)**	Reaffirmed
Long-term/Short-term Bank Facilities	160.00 (enhanced from Rs.135 cr)	**CARE BBB-/ CARE A3 (Triple B Minus / (A Three)**	Reaffirmed
Total Facilities	**1,200.00 (Rupees One Thousand and two hundred cr only)**		
Non-Convertible Debenture (NCD)	50.00	**CARE BBB (SO) [Triple B (Structure Obligation)]**	Reaffirmed
Proposed Non-Convertible Debenture (NCD)*	-	**-**	Withdrawn
Medium-term instruments-Fixed Deposit	200.00	**CARE BBB (FD) [Triple B (Fixed Deposit)]**	Reaffirmed

**Proposed NCDs aggregating to Rs.50 crore were rated CARE BBB (SO) In-principle. Since the company has not placed the issue, the same has been withdrawn at the request of the company and as per CARE's withdrawal policy.*

Rating Rationale

The ratings for bank facilities, NCDs and fixed deposit continue to draw comfort from the promoter's experience, large land bank, reasonable operational progress in terms of collections from projects, continued execution/ deliveries made and stable gearing position in FY15 (refers to the period April 01 to March 31). The ratings, however, remain constrained by the aggressive sales and development plans, continued execution risk for ongoing projects with dependence on customer advances and continued subdued demand scenario in the real estate sector.

The rating for NCD is based on the credit enhancement in the form of Structured Payment Mechanism (SPM; including operation of Escrow Accounts), required approvals in place for the project 'Omaxe Connaught Place', advanced stage of completion and high booking status in the project along with promoter's experience and demonstrated track record of executing real estate projects. The rating, however, remain constrained by the exposure of the project to salability risk, majority of cash flows being dependent upon future sales and subdued demand scenario in the real estate sector.

Going forward, the ability of the company to timely execute and deliver projects, maintain sales momentum/ collections and contain its overall gearing level shall remain the key rating sensitivities.

Background

Omaxe Ltd was promoted in March 1989 by Mr Rohtas Goel and Mr Sunil Goel as Omaxe Builders Pvt Ltd. 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. As of March 31, 2015, Omaxe has a track record of executing 64.60 million square feet (msf) as a real estate developer and 31.80 msf as third party contractor.

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Omaxe reported a total operating income (on a consolidated basis) of Rs.1,431 crore in FY15 (PY: 1,623 crore) and earned PAT of Rs.60 crore (PY: 79 crore). During Q1FY16 (unaudited), Omaxe achieved a total operating income of Rs.334 crore and earned a PAT of Rs.17 crore.

Analyst Contact

Name: Harsh Gaba
Tel: 011-45333257
Email: harsh.gaba@careratings.com

****For detailedRationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

CONTACT

Head Office Mumbai

Mr. Sanjay Kumar Agarwal
Mobile: + 91 8108007676
E-mail: sanjay.agarwal@careratings.com

Mr. Amod Khanorkar
Mobile: + 91 9819084000
E-mail: amod.khanorkar@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED
Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD
Mr. Mehul Pandya
32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-98242 56265
Tel: +91-79-4026 5656
E-mail: mehul.pandya@careratings.com

BENGALURU
Mr. Dinesh Sharma
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91-99000 41975
Tel: +91-80-4115 0445, 4165 4529
E-mail: dinesh.sharma@careratings.com

CHANDIGARH
Mr. Sajan Goyal
2nd Floor, S.C.O. 196-197, Sector 34-A,
Chandigarh - 160 022.
Cell: +91 99888 05650
Tel: +91-172-5171 100 / 09
Email: sajan.goyal@careratings.com

CHENNAI
Mr. V Pradeep Kumar
Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

COIMBATORE
Mr. V Pradeep Kumar
T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.
Tel: +91-422-4332399 / 4502399
Email: pradeep.kumar@careratings.com

HYDERABAD
Mr. Saikat Roy
401, Ashoka Scintilla, 3-6-502, HimayatNagar,
Hyderabad - 500 029.
Cell : + 91 9820998779
Tel: +91-40-4010 2030
E-mail: saikat.roy@careratings.com

JAIPUR
Mr. Rakesh Jayaraman
304, PashupatiAkshatHeights, Plot No. D-91,
Madho Singh Road, NearCollectorateCircle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 7665596136
Tel: +91-141-402 0213 / 14
E-mail: rakesh.jayaraman@careratings.com

KOLKATA
Ms. Priti Agarwal
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

NEW DELHI
Ms. Swati Agrawal
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

PUNE
Mr. Rahul Patni
9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, SenapatiBapat Road,
ShivajiNagar, Pune - 411 015.
Cell: +91-78754 33355
Tel: +91-20- 4000 9000
E-mail:rahul.patni@careratings.com

CIN - L67190MH1993PLC071691