



Press Release

Om Shivam Buildcon Private Limited

April 28, 2025

Ratings

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	99.13	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	-	Assigned	Simple
Total	99.13 (Rupees Ninety-Nine Crore and Thirteen Lakhs only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned rating to the bank facilities of Om Shivam Buildcon Private Limited (OSBPL). The rating takes into account the experience of promoters and established track record in the real estate industry and moderate capital structure with comfortable debt protection metrics. However, the rating strengths remain constrained by moderate and uneven trend in scale of operations. Further, susceptibility to cyclicalities inherent in the real estate sector which may impact the company's performance has been factored in the rating.

The Stable outlook is assigned due to extensive experience of the promoters and management team.

Key Rating Sensitivities:

Upward Factors

- Improvement in the sales velocity and collections through a combination of improved sales and construction progress,

Downward Factors

- Weaker-than-anticipated sales performance and lower-than-expected collections, which may lead to increased funding risk.
- Any delay in the project implementation and/or increase in debt thereby deteriorating the leverage ratios



Press Release

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters in the real estate industry and established track record:

Nagpur based OSBPL has been engaged in real estate development since 2004. It was founded by Mr. Ravindra Kapse, Mr. Pramod Kapse and Mr. Chandrashekhar Kapse with a shared goal of providing affordable housing to Indian home buyers. The promoters have over two decades of extensive experience in the real estate sector. Mr. Chaitanya R. Kapse, Director, joined the company in March 2022. The company has successfully completed more than 14 residential and commercial projects, with a total saleable area of 37.52 lakh sq. ft. OSBPL is also backward integrated and has its own ready mix concrete plant, bricks plant, door frame unit, parking tiles and other cement products, UPVC window making unit and fabrication units for its captive consumption.

Strategic location leading to low offtake exposure risk

The ongoing project Shiv Kailasa Phase - II is located near Milan, in the main city of Nagpur. It has an inventory of 1,472 saleable units and is expected to be completed in two phases, one in December 2025 and another by December 2026. As of April 2025, 40% of the inventory has been booked (585 units). The project benefits from the favourable location, in proximity to technology parks, metro stations and premium institutions such as the All-India Institute of Medical Sciences and the Indian Institute of Management, Nagpur. The development enjoys proximity to essential amenities, including schools, hospitals, shopping malls, and both the highway and railway station. Moreover, the social and civic infrastructure surrounding the project site is well-maintained and in good condition. Thus, offtake risk remains modest for the company.

Moderate capital structure and comfortable debt protection metrics

The capital structure of the company remained moderate marked by debt equity ratio and overall gearing ratio on tangible net worth at 2.25x and 2.79x respectively as on March 31, 2024. Further, total indebtedness of the company also remained high marked by TOL/TNW at 12.19x as on March 31, 2024. The debt protection metrics reflected by cash flow coverage remains comfortable in near term.



Press Release

Moderate project cost structure & favourable funding pattern

The total cost envisaged to the Shiv Kailasa Phase II project is Rs. 554 crore, which is proposed to be met through promoters' contribution of Rs. 60.00 crore (~11%), term loan of Rs. 110.00 crore (~14%), and customer advances of Rs. 306.30 crore (~55%) and internal accruals from previously completed projects amounting to Rs. 77.59 crore (~20%). Thus, reliance on customer advances is high and lower on debt. As of April 2025, the promoters' contribution of Rs. 12.07 crore, term loan of Rs. 80.54 crore, and customer advances of Rs. 224.46 crore are infused / availed. The Shiv Kailasa Project phase II with a total inventory of 1,472 units, is expected to be completed in two phases, one in December 2025 and another by December 2026. Phase I of the project with 704 units, has been booked at 83% with 585 units. The remaining ~17% are still pending for sale. Bookings for Phase II of Shiv Kailasa Phase II are yet to commence.

The debt for Shiva Kailasa Phase II has been tied up from ICICI Bank (Rs. 50.00 crore) and Bajaj Housing Finance Ltd. (Rs. 60.00 crore). There is DSRA account maintained for ICICI Bank equivalent to 2 instalments. The total sanctioned term loan rated i.e., Rs. 160.00 crore pertains to ongoing project as well as debt availed in previous years for other completed commercial projects.

Key Rating Weaknesses

Moderate and uneven trend in scale of operations

The total operating income witnessed an uneven trend during the review period registering a notable growth in FY24 and stood ~Rs. 172 crore after witnessing a decline of ~77% in FY23 largely from revenue recognised from its completed projects namely, Shiv Kailasa Phase I, Shiv Brighton Phase II and Shiv Brighton Phase III. In terms of units sold for the ongoing project, i.e., Shiv Kailasa Phase II, the company booked 132 units in FY22. However, in FY23 and FY24, the unit sales witnessed a decline on account of COVID-19 led slowdown in the industry for the ongoing project and stood at 104 units and 119 units respectively at an average rate of ~Rs. 3,500 per sq.ft. However, in FY25, the company has booked 231 units at an average rate of Rs. 3,830 per sq. ft. and expects the momentum to improve going forward.

Susceptibility to cyclicalities inherent in the Real Estate sector



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Being a cyclical industry, real estate depends on macro-economic factors and the company's dependence on a particular geography further heightens such risk. The real estate industry also remains susceptible to regulatory risk. Cumulatively, these may have a material bearing on the real estate project cash flow. This may impact the debt servicing ability of the company. Managing the same thus remains critical.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Real Estate Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity - Adequate

The project under development by the company is funded by a combination of debt, customer advances, internal accruals and promoter funds. The firm is projected to have comfortable cash cover to service its debt obligations as evidenced by above unity cash flow coverage ratio of the project throughout the projected period. In addition, the company is required to maintain a DSRA equivalent to three months interest and principal repayments which imparts additional comfort to liquidity.

About the Company

Om Shivam Buildcon Private Limited (OSBPL), having its registered office at Nagpur, Maharashtra, was founded in 2004 by Mr. Ravindra Kapse, Mr. Pramod Kapse and Mr. Chandrashekhar Kapse with a shared goal of providing affordable housing to Indian home buyers and undertake every aspect of planning, designing, and execution of construction. Since then, the company has completed more than 14 residential and commercial projects, with a total saleable area of 37.52 lakh sq. ft. Mr. Chaitanya R. Kapse, Director, joined the company in March 2022. OSBPL is also backward integrated and has its own ready mix concrete plant, bricks plant, door frame unit, parking tiles and other cement products, UPVC window making unit and fabrication units for its captive consumption. Its fully automatic



Press Release

computerized ready mix concrete plant in Nagpur is ISO 2013 Certified. It manufactures Ready Mix Concrete in various grades along with manufacturing fly ash bricks, door frames, paver blocks, parking tiles and other concrete products. Its plant is situated in 12 acres land at Mihan, Nagpur, Maharashtra.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	3.53	172.17
EBITDA	5.96	15.08
PAT	0.89	9.75
Total Debt	84.79	133.30
Tangible Net Worth	38.37	47.78
EBITDA Margin (%)	168.72	8.76
PAT Margin (%)	20.61	5.65
Overall Gearing Ratio (x)	2.21	2.79
Interest Coverage (x)	1.46	8.19

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: NA

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date	Date	Date
1.	Long Term Fund Based Bank Facilities - Term Loans	Long Term	99.13	IVR BBB-/ Stable	-	-	-



Press Release

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About Infomerics:

Infomerics Valuation and Rating Ltd. (formerly Infomerics Valuation and Rating Private Ltd.) (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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Press Release

Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loans	-	-	Upto December 2029	99.13	IVR BBB-/ Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-omshivam-apr25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Name of the Security		Detailed Explanation
Financial Covenant		
i.		
ii.		
Non-financial Covenant		
i.		
ii.		

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.