

Oberoi Realty Limited (Revised)

October 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	237.00 (Reduced from 590.29)	CARE AA+; Stable	Reaffirmed
Long-term / Short-term bank facilities	300.00	CARE AA+; Stable / CARE A1+	Reaffirmed
Non-convertible debentures	1,440.00 (Reduced from 1,500.00)	CARE AA+; Stable	Reaffirmed
Non-convertible debentures	-	-	Withdrawn
Commercial paper	300.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities, debt instrument, and commercial paper (CP) of Oberoi Realty Limited (ORL) factors in continued strong operational performance in FY25 (FY refers to April 01 to March 31) and Q1FY26, marked by healthy growth in pre-sales and collections, and a significant reduction in the leverage position.

Considering healthy sales and collections, ORL has continued to post a strong committed customer receivables ratio (committed receivables from sold units to outstanding debt plus balance construction cost – residential segment) at 123% for ongoing projects. Due to deleveraging, the capital structure remained stable at 0.19x as on June 30, 2025, compared to 0.21x as on March 31, 2025. The capital structure marked by overall gearing is expected to remain comfortable.

Ratings also consider ORL's diversified operations across residential, commercial, retail, and hospitality segments. The performance of key segments improved and remained healthy in FY25 and Q1FY26. CARE Ratings Limited (CareEdge Ratings) expects this to sustain in FY26. Occupancy in commercial leased assets improved to 86% in Q1FY26 compared to 78% in FY24. Occupancy in the retail mall and hospitality segments remained satisfactory at over 65% and 72%, respectively.

Ratings continue to derive strength from the experienced promoters, a well-established brand, and a proven track record of executing real estate projects in the Mumbai Metropolitan Region (MMR).

CARE Ratings Limited (CareEdge Ratings) has withdrawn ratings assigned to the non-convertible debentures (NCDs) issued by ORL with immediate effect, as the company has repaid the NCDs in full and there is no amount outstanding under the instrument as on date. Further details pertaining to the instruments are mentioned under Annexure-1.

However, rating strengths are partially offset by geographical concentration risk due to the restricted presence of business operations in MMR, although the company is planning expansion into new geographies. Rating strengths are further tempered by the inherent risks associated with executing large-scale projects amid the cyclical nature of the real estate industry.

Rating sensitivities: Factors likely to lead to rating actions
Positive factors

- Net debt-free position of the company at a consolidated level on a sustained basis

Negative factors

- Moderating financial risk profile of the company with an overall gearing ratio above 0.30x at a consolidated level on a sustained basis.
- Committed receivables coverage to balance project cost and outstanding debt in residential segment below 75% and debt to rentals of operational commercial leasing portfolio above 2x on sustained basis.

Analytical approach: Consolidated

CareEdge Ratings has adopted consolidated approach for analysing ORL. Subsidiaries/associates/joint ventures (JV) and the parent company, ORL, have been consolidated considering being under a common management and having managerial, operational, and financial linkages. Entities whose financials have been consolidated are listed under Annexure-6.

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

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation of sustenance of strong performance, marked by strong sales velocity, robust collections, low reliance on external debt, and strong liquidity. This expectation is attributable to the established brand image in MMR and continued end-user demand in the real estate industry.

Detailed description of key rating drivers:

Key strengths

Improved scale of operation with healthy profitability margins

In FY25 (FY refers to April 01 to March 31), ORL's revenue improved to ₹5,286.28 crore compared to ₹4,495.79 crore in FY24. ORL has four revenue drivers: residential, rental, hospitality, and property management services (PMS). The residential segment contributed ~78% to the total revenue, followed by rental, hospitality, and PMS. In FY25, ORL witnessed steady revenue growth in the residential segment. However, major growth was driven by increased occupancy of leasing segment supported by the addition of the new commercial project COMMERZ III. Going forward, revenue is expected to increase further due to new project launches and commencement of rental income from the commercial project, COMMERZ III, and the retail project, SKY CITY MALL, which contributed ₹123.45 crore and ₹40.4 crore, respectively, in Q1FY26. ORL reported healthy operating margin from investments, with overall operating margin at 60% in FY25 (FY24: 54%). Increase in operating margin is attributable to higher realisation in residential projects and increased occupancy.

Diversified portfolio having a mix of residential, commercial, and hospitality segments

ORL has diversified operations across residential, commercial, retail, and hospitality segments. Performance across key segments improved and remained healthy in FY25 (FY refers to April 01 to March 31) and Q1FY26. CareEdge Ratings expects this trend to sustain in FY26. Occupancy from leased assets improved to 86% in Q1FY26 compared to 75% in FY25. Apart from this, ORL commenced operations of its retail project, SKY CITY MALL, with a total leasable area of 12.07 lakh sq ft, of which ~50% was leased in Q1FY26, contributing revenue of ₹40.4 crore. Occupancy in Oberoi Mall remained steady at 99%. In the hospitality segment, occupancy stabilised at ~80%, and revenue per available room (RevPAR) grew by 10.9% to ₹11,871 crore in FY25 compared to ₹10,704 crore in FY24.

Healthy cashflow from residential segment and satisfactory construction progress

On a consolidated basis, ORL sold 12.8 lakh sq ft (carpet area) in FY25 (FY refers to April 01 to March 31) compared to 10.65 lakh sq ft (carpet area) in FY24. In Q1FY26, ORL sold 3.53 lakh sq ft. In FY25, ORL reported pre-sales of ₹5,259 crore (FY24: ₹3,945 crore) and collections of ₹4,372 crore (FY24: ₹4,023 crore). As on June 30, 2025, ORL sold ~67% of the total launched project, indicating strong sales momentum. Of the total area sold, ~97% is registered, indicating minimal likelihood of cancellation and supporting steady cash flow. This trend is expected to sustain in FY26, driven by a robust project launch pipeline and likely healthy sales velocity in upcoming launches, backed by continued end-user demand.

As on June 30, 2025, ORL has nine projects under implementation. Of the total project cost, ~54% was incurred.

Favourable financial risk profile and robust debt coverage indicators

On a consolidated basis, ORL's financial risk profile and debt coverage indicators remained stable in FY25 and Q1FY26, supported by a moderate overall gearing of 0.21x as of March 31, 2025 (compared to 0.18x as of March 31, 2024), and further improvement to 0.19x as of June 30, 2025. Improvement reflects debt prepayments and profit accretion to net worth. The overall gearing is projected to remain comfortable, supported by healthy collections. ORL continues to maintain a strong committed receivables ratio of 123% as of Q1FY26 (previous year: 146%), indicating healthy coverage of residential debt and construction costs through receivables from sold units. This ratio is expected to remain robust, driven by steady sales velocity and low leverage.

Experienced promoter and well-established brand in the real estate industry

ORL is promoted by Vikas Oberoi, Chairman and Managing Director, who is a first-generation entrepreneur. The company was earlier known as Kingston Properties Private Limited. The promoter has over 40 years of experience in executing real estate projects in MMR. The promoter and promoter group held a 67.70% stake in the company as on June 30, 2025. The company's day-to-day operations are managed by a team of qualified and experienced professionals. Over the years, ORL has executed several projects across residential, commercial, retail, and hospitality segments. With a presence of ~40 years in the real estate industry and delivery of high-end luxury projects in MMR, ORL has established strong brand value and a prominent presence in the city. As on March 31, 2025, ORL has developed 160 lakh sq ft (carpet area) and ~62 lakh sq ft (carpet area) is under implementation through its wholly owned subsidiaries and group companies.

Key weaknesses

Geographical concentration associated with presence in a single city

ORL operates in MMR through its wholly owned subsidiaries and group companies. Hence, its operations remain highly exposed to the vagaries of micro-market forces in the region. ORL is exploring micro-markets near MMR, such as Thane, and plans to enter new real estate markets such as the National Capital Region (NCR) and Bengaluru, where it intends to undertake redevelopment projects. Establishing a presence in new geographies, which is yet to be seen, also exposes ORL to market risk to a certain extent. CareEdge Ratings believes that with its presence of over four decades in the real estate industry and experience in executing large-sized projects in MMR, ORL is better placed among existing players in the region. This mitigates the geographical concentration risk to a certain extent.

Inherent risk associated with execution of large-scale projects amid cyclical nature of real estate industry

As on June 30, 2025, ORL had nine projects under execution. Of the total project cost, ~54% was incurred. These projects are in MMR and Thane. ORL also has around eight upcoming projects in these locations, including extensions or additional phases of ongoing projects. The company plans to enter new micro real estate markets such as Thane, Pune, the NCR, and Bengaluru in the near-to-medium-term. ORL's operations remain exposed to project execution risk and inherent risks associated with executing large-scale projects for the balance development. Demand in the real estate sector depends on the overall economic prospects of the country. The sector is also exposed to cyclicity associated with macroeconomic factors such as interest rates and metal prices.

Liquidity: Strong

ORL's strong liquidity position is characterised by availability of free cash and cash equivalents of ~₹2,950 crore (including Real Estate Regulatory Authority [RERA] balances of ₹250 crore) at a consolidated level, which is sufficient to meet its FY26 (FY refers to April 01 to March 31) debt obligations. Apart from this, the company has unutilised CP of ₹300 crore, which provides additional liquidity for operational purposes. ORL has a strong committed receivables ratio of 123% as on June 30, 2025, which largely mitigates construction risk, as the project depends on customer advances.

Assumptions/Covenants

Name of the Instrument	Detailed Explanation
A. Financial covenants – Bank facilities	
Fixed asset cover ratio (LT/ST)	1.50x (to be tested on an annual basis based on audited results)
Total debt/tangible net worth on a consolidated basis (LT/ST)	0.90x (to be tested on an annual basis based on audited results)
Financial covenants – Non-convertible debentures	
Security cover	Minimum security cover of 1.50x to be maintained at all times until the final settlement date
Debt-to-equity ratio	Should not exceed 0.90x in the term of the debentures.
B. Non-financial covenants	
Ownership	Vikas Oberoi will hold (directly or indirectly) a minimum 51% unencumbered stake in the issuers at all times, throughout the term of debentures.
Brand name	The 'Oberoi' name will remain part of the issuer's name until the final settlement date.

Environment, social, and governance (ESG) risks

The real estate sector is characterised by increased credit risk factors due to high compliance costs and operational expenses arising from more stringent environmental standards. Delays in securing environmental clearances for projects pose potential risks to business operations and impact creditworthiness. ORL has ongoing focus on strengthening compliance with ESG parameters and has undertaken initiatives to efficiently manage ESG risks. The company has received Leadership in Energy and Environmental Design (LEED) certifications from the US Green Building Council (USGBC) for four commercial projects – Commerz, Commerz II, Commerz III, and Oberoi Mall – and for residential projects such as Three Sixty West, Worli, and Sky City Borivali – Residential Towers. ORL has constituted an ESG committee and is increasingly focusing on mitigating ESG risks.

Applicable criteria

[Consolidation](#)
[Definition of Default](#)
[Factoring Linkages Parent Sub JV Group](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Withdrawal Policy](#)
[Rating methodology for Debt backed by lease rentals](#)
[Rating methodology for Real estate sector](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

Incorporated on May 08, 1998, ORL (Corporate Identity Number: L45200MH1998PLC114818; market capitalisation: ₹57,976 crore as on October 01, 2025) is engaged in real estate development, mainly in MMR. The company operates in residential, commercial, hospitality and social infrastructure segments through its subsidiaries and associates. As of March 31, 2025, through its wholly owned subsidiaries and group companies, ORL has developed ~160 lakh sq ft and has ~62 lakh sq ft under implementation.

Consolidated:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	4495.79	5286.27	987.55
PBILDT	2429.98	3103.10	520.34
PAT	1926.60	2225.51	421.25
Overall gearing (times)	0.18	0.21	0.19
Interest coverage (times)	7.90	11.60	6.94

A: Audited UA: Unaudited; Note: these are latest available financial results

Note: Financials are classified per CareEdge Ratings' internal standard

Standalone:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	3,302.16	4,371.98	775.35
PBILDT	1,852.48	2,509.06	407.46
PAT	1,477.28	1,768.73	308.84
Overall gearing (times)	0.18	0.23	0.21
Interest coverage (times)	6.82	9.61	5.53

A: Audited UA: Unaudited; Note: these are latest available financial results

Note: Financials are classified per CareEdge Ratings' internal standard

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)		Not yet placed	-	-	300.00	CARE A1+
Debentures-Non Convertible Debentures	INE093I07058	16-Dec-2021	6.80	16-Dec-2025	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE093I07066	24-Oct-2024	7.95	24-Oct-2026	340.00	CARE AA+; Stable
Debentures-Non Convertible Debentures	INE093I07074	22-Oct-2024	8.00	22-Oct-2027	500.00	CARE AA+; Stable
Debentures-Non Convertible Debentures	INE093I07082	24-Oct-2024	8.05	24-Oct-2028	600.00	CARE AA+; Stable
Fund-based - LT-Term Loan		-	-	31-01-2027	237.00	CARE AA+; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	300.00	CARE AA+; Stable / CARE A1+

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	Commercial Paper-Commercial Paper (Standalone)	ST	300.00	CARE A1+	-	1)CARE A1+ (10-Oct-24)	1)CARE A1+ (28-Mar-24) 2)CARE A1+ (05-Sep-23)	1)CARE A1+ (06-Sep-22)
2	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (13-Apr-22)
3	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA+; Stable (10-Oct-24)	1)CARE AA+; Stable (28-Mar-24)	1)CARE AA+; Stable (06-Sep-22)

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
							2)CARE AA+; Stable (05-Sep-23)	
4	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	300.00	CARE AA+; Stable / CARE A1+	-	1)CARE AA+; Stable / CARE A1+ (10-Oct-24)	1)CARE AA+; Stable / CARE A1+ (28-Mar-24) 2)CARE AA+; Stable / CARE A1+ (05-Sep-23)	1)CARE AA+; Stable / CARE A1+ (06-Sep-22)
5	Fund-based - LT-Term Loan	LT	237.00	CARE AA+; Stable	-	1)CARE AA+; Stable (10-Oct-24)	1)CARE AA+; Stable (28-Mar-24)	-
6	Debentures-Non Convertible Debentures	LT	1440.00	CARE AA+; Stable	-	1)CARE AA+; Stable (10-Oct-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	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Complex
3	Fund-based - LT-Term Loan	Simple
4	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

S. No	Name of entity	Extent of Consolidation	Rationale for Consolidation
1.	Astir Realty LLP [#]	Full	Wholly Owned Subsidiary
2.	Buoyant Realty LLP	Full	Wholly Owned Subsidiary
3.	Encase Realty Private Limited	Full	Wholly Owned Subsidiary
4.	Expressions Realty Private Limited	Full	Wholly Owned Subsidiary
5.	Incline Realty Private Limited	Full	Wholly Owned Subsidiary
6.	Integrus Realty Private Limited	Full	Wholly Owned Subsidiary
7.	Kingston Hospitality and Developers Private Limited	Full	Wholly Owned Subsidiary
8.	Kingston Property Services Limited	Full	Wholly Owned Subsidiary
9.	Nirmal Lifestyle Realty Private Limited	Full	Wholly Owned Subsidiary
10.	Perspective Realty Private Limited	Full	Wholly Owned Subsidiary
11.	Pursuit Realty LLP	Full	Wholly Owned Subsidiary
12.	Sight Realty Private Limited [#]	Full	Wholly Owned Subsidiary
13.	Homexchnage Private Limited	Moderate	Joint Venture
14.	Moveup Real Estate Private Limited	Moderate	Joint Venture
15.	Saldanha Realty and Infrastructure LLP	Moderate	Joint Venture
16.	Schematic Estate LLP	Moderate	Joint Venture
17.	Shri Siddhi Avenues LLP	Moderate	Joint Venture
18.	I-ven Realty Limited	Moderate	Associate

[#]Astir realty LLP and Sight Realty Private Limited (entities wholly owned by the company), had been struck off from May 26, 2025 & July 01, 2025, respectively.

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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