



Press Release

Sonam Homes Private Limited

April 07, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	150.00	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	Reaffirmed	Simple
Total	150.00 (Rupees One Hundred Fifty Crore 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 reaffirmed its 'IVR BBB-/Stable/A3' ratings on the bank facilities of Sonam Homes Private Limited (SHPL; a part of Sonam group).

The rating reaffirmation factors the established track record of the group in the real estate sector, favourable location of the projects, maintenance of debt service reserve account (DSRA) & escrow account and favourable project cost structure and saleability. The rating remains constrained by exposure to risks relating to cyclical risk in real estate industry and project concentration risk.

Stable outlook reflects Infomerics' belief that the group will continue to benefit, over the medium term, from the timely completion of the projects without any time and cost overrun.

Key Rating Sensitivities:

Upward Factors

- Faster than expected receipt of customer advances significantly improving the debt protection metrics for the group.
- Scheduled completion of ongoing projects within expected project cost.



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Downward Factors

- Any delay in completion of group projects leading to significant debt funded cost overruns.
- Lower than expected booking status significantly impacting the debt protection metrics and liquidity at group level.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record of the operations**

Sonam Group and its promoters have experience of three decades in the real estate sector and have successfully developed and delivered projects spanning across more than 37 Lakh sq. ft. Currently, Sonam group is developing three projects namely Indradhanush, Indraneel and Opulence with total area under development of 10,32,142 sq. ft. and total number of 663 units.

- **Favourable location of the projects**

Indradhanush, Opulence and Indraneel, all three projects are in Mira-Bhayandar region of Thane district in Maharashtra. These projects enjoy locational advantage as they are in proximity to schools, hospitals, malls, upcoming metro and railway station.

- **Favourable project cost structure and favourable saleability**

Financial progress achieved till Dec'24 of the commercial cum residential real estate projects namely "Indradhanush" and "Indraneel" is around 84% and 81% respectively. Physical progress too remains around 79% and 84% respectively for both the projects. While the group has received combined bookings of 47% till Dec'24 for both the projects, Infomerics believes that the pace of bookings for both the projects is expected to improve as they are nearing completion over the next 10-12 months. Consequently, debt as part of the cumulative outflow for the group projects is expected to improve to 18% as of March 2026 as compared with 37% as of March 2025 as debt obligations towards these two projects will commence over the same period.



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Further, total advance repayments of Rs 33.50 crore during fiscal 2025 (refers to period April 1st, 2024, to Mar 31, 2025) towards the group project debt provides comfort. These strengths are partially offset by the addition of a new group project namely “Opulence” in the same locality where physical progress stood at 49% and advanced bookings stood at 10% till Dec’24. That said, Infomerics will continue to monitor the implementation of the projects as per the project schedule and budgeted cost. Any deviation impacting the leverage ratios significantly will remain a key rating sensitivity factor going forward. Moreover, bookings of remaining units are expected to gain momentum as the construction work approaches towards the completion stage, in line with the general trend observed in real estate projects.

Key Rating Weaknesses

- **Exposure to risks relating to cyclicalities in real estate industry**

Cyclicalities in the real estate segment could lead to fluctuations in cash inflow because of volatility in realization and saleability. This may impact the debt servicing ability of Sonam Group. The group will remain susceptible to the inherent cyclicalities in the real estate sector. However, given the vast experience of Sonam Group, the risk is mitigated to some extent.

- **Project concentration risk**

All three projects are still in construction stage. Now, the main concern will be selling all the units in the future. With further phases of the projects in the design and implementation stage, it will be imperative that Sonam Group is able to sell the units at an attractive price. However, the risk is mitigated to some extent as the areas sold in different projects are ~71% in Indraneel, ~46% in Indradhanush and ~7% in Opulence.

Analytical Approach: Consolidated

For arriving at the rating, Infomerics has combined the financial risk profiles of Sonam Homes Private Limited and Sonam Spark Infra Private Limited commonly referred to as Sonam group



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as these entities operates under a common name, have common management and common shareholders, and also have operational and financial linkages.

List of companies considered for consolidation analysis is given at Annexure 4.

Applicable Criteria:

[Rating methodology for real estate entities](#)

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

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

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

[Criteria for consolidation of companies](#)

Liquidity – Adequate

Liquidity of the group is expected to remain adequate supported by estimated surplus cashflows of Rs ~264 crores for fiscal 2026 and Rs ~113 crore for fiscal 2027 which is sufficient to cover the annual debt obligations of Rs ~149 crore and Rs ~63 crore respectively. Further, liquidity is supported by cash and bank balance of Rs 6.72 crore including DSRA (Rs 5.44 crore) as of December 2024. Average cashflow coverage ratio including undisbursed project loans is expected to be 1.89 times at group level through fiscal 2029.

About the Group

Sonam Group (SHPL and SSIPL) is engaged in the development of residential and commercial projects. The group has delivered multiple projects in Mira-road, Bhayandar, Kashimira & North-West Mumbai. The group was established in the year 1989 by Mr. Mithalal Jain which is now managed by his son Mr. Bharat Jain.

About the Company

Sonam Homes Private Limited (SHPL) was incorporated in the year 2018. It is a part of Sonam Group. At present, SHPL is engaged in the development of one residential cum commercial



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project namely Indradhanush having saleable area of 452,610 sq. ft at Mira-Bhayandar. The project comprises of 350 residential units and 14 commercial units. It offers amenities such as Sky Gym, Swimming Pool, Jogging Track, Library, Shopping Plaza etc. Shareholding of the company is currently held by Mr. Bharat Jain (98%) and Ms. Sneha Saklecha (2%).

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	44.43	56.73
EBITDA	11.62	14.69
PAT	6.22	9.79
Total Debt	314.18	363.12
Tangible Net Worth	86.37	46.82
EBITDA Margin (%)	26.14	25.90
PAT Margin (%)	13.21	17.07
Overall Gearing Ratio (x)	3.64	7.76
Interest Coverage (x)	1.58	14.85

* Classification as per Infomerics' standards.

Financials (Standalone – SHPL):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	0.10	2.65
EBITDA	-0.09	2.77
PAT	-0.02	2.16
Total Debt	151.43	177.37
Tangible Net Worth	18.60	20.76
EBITDA Margin (%)	-84.04	104.59
PAT Margin (%)	-8.55	72.71
Overall Gearing Ratio (x)	8.14	8.55
Interest Coverage (x)	-14.34	13.37

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 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 2023-24		Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Date (January 30, 2024)	Date (December 27, 2023)	Date (November 30, 2022)	Date (September 02, 2021)
1.	Term Loan	Long Term	150.00	IVR BBB- / Stable	IVR BBB- / Stable	IVR BB+/ Negative; ISSUER NOT COOPERATING*	IVR BBB- / Stable	IVR BBB- / Stable

**Issuer did not cooperate; based on best available information*

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.



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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	December 2027	150.00	IVR BBB- / Stable

Annexure 2: Facility wise lender details:

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

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

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the company	Consolidation approach
Sonam Homes Private Limited	Full consolidation
Sonam Spark Infra Private Limited	Full consolidation

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.