

September 19, 2025

## Rajapushpa Properties Private Limited: Rating reaffirmed; outlook revised to Negative from Stable

### Summary of rating action

| Instrument*                          | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action                                                               |
|--------------------------------------|--------------------------------------|-------------------------------------|-----------------------------------------------------------------------------|
| Long term – Fund based – Term loans  | 1400.00                              | 1200.00                             | [ICRA]A- (Negative); reaffirmed and outlook revised to Negative from Stable |
| Long term – Fund based – Unallocated | 0.00                                 | 200.00                              |                                                                             |
| <b>Total</b>                         | <b>1400.00</b>                       | <b>1400.00</b>                      |                                                                             |

\*Instrument details are provided in Annexure I

### Rationale

To arrive at the rating of Rajapushpa Properties Private Limited (RPPL), ICRA has considered the consolidated financials RPPL, Watermarke Estates Private Limited (WEPL), Rajapushpa Infra Private Limited (RIPL) and Rajapushpa Asset Management LLP (RAMLLP) and Rajapushpa Realty LLP (RRLLP) (together referred as the Rajapushpa Group), given the common management, engaged in the same businesses, with strong financial linkages and common treasury team.

The revision in the outlook to Negative for RPPL reflects the sharp decline in cash flow from operations (CFO) for the Rajapushpa Group in FY2025, backed by slowdown in sales velocity and collections, which along with increase in debt levels by 42.4% YoY as of March 2025 to fund project construction and land acquisitions, resulted in high leverage. ICRA notes that the overall sales in Hyderabad residential real estate market witnessed a decline in FY2025. While in 4M FY2026, the group witnessed marginal improvement in sales and collections YoY, for full year FY2026, expected moderate CFO and high debt levels are likely to result in elevated leverage compared to ICRA's earlier estimates.

The rating reaffirmation factors in the Rajapushpa Group's established track record and demonstrated execution capabilities in the Hyderabad with a cumulative supply of around 40 million square feet (msf) over the last 15 years encompassing both the ongoing and completed projects. At present, the Group is developing 30.5 msf (developer share of 24.5 msf) of residential, 3.6 msf (developer share of 3.2 msf) of commercial office and 0.4 msf (developer share of 0.29 msf) of warehouse space. Additionally, two completed commercial office properties—The Summit and The Paradigm—are fully leased, contributing to annual rentals of around Rs. 55 crore. The rating takes comfort from the favourable location of the ongoing and upcoming residential projects, which are well connected to IT and commercial hubs enhancing the marketability of the projects. The favourable location of the projects is expected to support sales velocity and collections for the Group in the medium term.

The rating, however, is constrained by the Rajapushpa Group's exposure to high execution and market risks for the recently launched residential projects during the last two years (Casa Luxura, Aurelia and Skyra) and the proposed launch of the new project (of ~6 msf is the Group's share) over the next six months, ongoing commercial project (West Avenue) and plotting project in Rudraram (which witnessed delay in launch due to slow progress in land acquisition). Further, given that four out of seven ongoing residential projects are at early stages of construction with less than 20% of construction cost incurred, there is considerable reliance on future sales to fund pending project costs, as indicated by moderate cash flow adequacy ratio (receivables / (pending construction cost + outstanding debt)) of 24% as of June 2025 (33% as of May 2024). Any material slowdown in sales velocity may result in higher dependence on debt considering the large pending costs to be incurred on such projects. The Group availed debt for projects with existing surplus cash flow proceeds used to fund land investments. Consequently, the Group's debt/net working capital remains very high and significant improvement in the same would also be

a key monitorable. The Group is exposed to the inherent cyclicity in the residential real estate industry, along with geographical concentration risk as it is mainly concentrated in Hyderabad.

## Key rating drivers and their description

### Credit strengths

**Established track record of the Rajapushpa Group in Hyderabad** – The Rajapushpa Group has an established track record and demonstrated execution capabilities in the residential market in Hyderabad with a cumulative supply of around 40 msf over last 15 years encompassing both ongoing and completed projects. The Group has delivered large residential projects in a timely manner in the past. At present, the Group is developing 30.5 msf (developer share of 24.5 msf) of residential, 3.6 msf (developer share of 3.2 msf) of commercial office and 0.4 msf (developer share of 0.29 msf) of warehouse space.

**Favourable location of ongoing residential projects to support sales velocity and collections in medium term; 100% leasing of operational commercial projects** – The rating takes comfort from the favourable location of the ongoing and upcoming residential projects, which are well connected to IT and commercial hubs enhancing the marketability of the projects. The favourable location of the projects is expected to support the sales velocity and collections for the Group in the medium term. Additionally, the Group has completed two commercial office properties—The Summit and The Paradigm, which are fully leased, contributing to annual rentals of around Rs. 55 crore, alongside a fully pre-leased, under-construction warehousing project.

### Credit challenges

**Increase in debt levels leading to high leverage levels** – The Group witnessed a sharp dip in CFO in FY2025, backed by slowdown in sales velocity and collections, which along with the increase in debt levels by 42.4% YoY as of March 2025 to fund project construction and land acquisitions resulted in high leverage. The overall sales in Hyderabad residential real estate market declined in FY2025. While in 4M FY2026, the Group witnessed marginal improvement in sales and collections YoY, for full year FY2026, the estimated moderate CFO and high debt levels are likely to exert pressure on its leverage.

**Exposure to execution and market risks** – The Rajapushpa Group is exposed to high execution and market risks for the recently launched residential projects during the last two years (Casa Luxura, Aurelia and Skyra) and the proposed launch of the new project (of ~6 msf is the Group's share) over the next six months, ongoing commercial project (West Avenue) and plotting project in Rudraram (which has witnessed delay in launch due to slow progress in land acquisition). Further, given that four out of seven ongoing residential projects are at early stages of construction with less than 20% of construction cost incurred, there is considerable reliance on future sales to fund the pending project costs, as indicated by moderate cash flow adequacy ratio (receivables / (pending construction cost + outstanding debt)) of 24% as of June 2025 compared to 33% as of May 2024. Any material slowdown in sales velocity may result in higher dependence on debt considering the large pending costs to be incurred on such projects.

**Cyclicity inherent in real estate sector and geographical concentration risk** – Being a cyclical industry, the real estate business is highly dependent on macro-economic factors, which exposes its sales to any downturn in real estate demand. In addition, the Rajapushpa Group is mainly concentrated in the Hyderabad, which exposes it to the geographical concentration risk.

## Liquidity position: Adequate

The Rajapushpa Group's liquidity profile is adequate, with consolidated unencumbered cash and bank balance of ~Rs. 425.6 crore as on June 30, 2025. On a consolidated basis, it has scheduled external debt repayments of Rs. 397 crore (principal) in FY2026, which can be serviced through the estimated cash flow from operations. Further, it has an undrawn debt of ~Rs. 1,541 crore for the ongoing residential projects as on June 30, 2025. The pending capex for the under-construction commercial office project is expected to be funded through the undrawn sanctioned debt.

## Rating sensitivities

**Positive factors** – The outlook can be revised to Stable if there is material improvement in sales and/or collections consequently improving cashflow from operations resulting in improvement in leverage metrics.

**Negative factors** – Downward pressure on the rating could emerge in case of subdued sales and/or collections, or significant delay in completion of the ongoing residential projects or large debt-funded land investments weakens the debt protection metrics and liquidity position and on a sustained basis. Specific triggers that could result in a rating downgrade include Gross Debt/CFO remaining higher than 3.5 times on a sustained basis.

## Analytical approach

| Analytical approach             | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable rating methodologies | <a href="#">Corporate Rating Methodology</a><br><a href="#">Realty – Lease Rental Discounting</a><br><a href="#">Realty – Commercial/Retail/Residential</a>                                                                                                                                                                                                                                                                                                                           |
| Parent/Group support            | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Consolidation/Standalone        | ICRA has consolidated the financials of Rajapushpa Properties Private Limited (RPPL), Rajapushpa Realty LLP (RRLLP), Watermarke Estates Private Limited (WEPL), Rajapushpa Infra Private Limited (RIPL) and Rajapushpa Asset Management LLP (RAMLLP), given the common management, involvement in the same businesses with strong financial linkages and a common treasury team. Further, RPPL has provided corporate guarantee to the loans availed by RRLLP, WEPL, RIPL and RAMLLP. |

## About the company

RPPL was founded as a partnership firm in 2006 and transitioned to a private limited company in 2009. The company develops residential and commercial projects in Hyderabad and operates under the Rajapushpa Group, which has successfully completed over 15 projects across the city, encompassing approximately 40.0 msf in both the residential and commercial segments. As on June 30, 2025, the Group maintains a land bank of 407 acres, with an estimated market value of Rs. 9,200 crore as per the company estimates. At present, the Rajapushpa Group, through RPPL and its subsidiaries/group companies, is developing eight residential real estate projects, one commercial project, one plotting project and one warehousing facility in Hyderabad. Additionally, the Group has two fully leased, operational commercial office projects.

## Key financial indicators

| RPPL (Consolidated)                                  | FY2024  | FY2025      |
|------------------------------------------------------|---------|-------------|
|                                                      | Audited | Provisional |
| Operating income (OI)                                | 1,489.2 | 1,796.9     |
| PAT                                                  | 74.7    | 66.7        |
| OPBDIT/OI                                            | 17.8%   | 20.4%       |
| PAT/OI                                               | 5.0%    | 3.7%        |
| Total outside liabilities/Tangible net worth (times) | 20.7    | 13.8        |
| Total debt/OPBDIT (times)                            | 3.0     | 2.3         |
| Interest coverage (times)                            | 1.9     | 1.8         |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

| Instrument  | Type      | Current (FY2026)         |                     | Chronology of rating history for the past 3 years |                   |            |                       |            |                     |
|-------------|-----------|--------------------------|---------------------|---------------------------------------------------|-------------------|------------|-----------------------|------------|---------------------|
|             |           | Amount Rated (Rs. crore) | FY2026              | FY2025                                            |                   | FY2024     |                       | FY2023     |                     |
|             |           |                          | September 19, 2025  | Date                                              | Rating            | Date       | Rating                | Date       | Rating              |
| Term loans  | Long Term | 1200.00                  | [ICRA]A- (Negative) | 12-31-2024                                        | [ICRA]A- (Stable) | 08-30-2023 | [ICRA]BBB+ (Positive) | 08-18-2022 | [ICRA]BBB+ (Stable) |
|             |           |                          |                     | 09-20-2024                                        | [ICRA]A- (Stable) | -          | -                     | 06-06-2022 | [ICRA]BBB+ (Stable) |
| Unallocated | Long Term | 200.00                   | [ICRA]A- (Negative) | -                                                 | -                 | 08-30-2023 | [ICRA]BBB+ (Positive) | 08-18-2022 | [ICRA]BBB+ (Stable) |
|             |           |                          |                     |                                                   |                   |            |                       | 06-06-2022 | [ICRA]BBB+ (Stable) |

## Complexity level of the rated instruments

| Instrument                       | Complexity indicator |
|----------------------------------|----------------------|
| Long-term fund based – Term loan | Simple               |
| Long term – Unallocated limits   | NA                   |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

#### Annexure I: Instrument details

| ISIN | Instrument name    | Date of issuance | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|--------------------|------------------|-------------|----------|--------------------------|----------------------------|
| NA   | Term Loans         | FY2022           | NA          | FY2031   | 1200.00                  | [ICRA]A- (Negative)        |
| NA   | Unallocated limits | NA               | NA          | NA       | 200.00                   | [ICRA]A- (Negative)        |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure II: List of entities considered for consolidated analysis

| Company Name                                 | Ownership              | Consolidation Approach |
|----------------------------------------------|------------------------|------------------------|
| Rajapushpa Properties Private Limited (RPPL) | 100.00% (rated entity) | Full Consolidation     |
| Watermarke Estates Private Limited (WEPL)    | 100.00%                | Full Consolidation     |
| Rajapushpa Infra Private Limited (RIPL)      | 51.00%^                | Full Consolidation     |
| Rajapushpa Realty LLP (RRLLP)                | ^                      | Full Consolidation     |
| Rajapushpa Asset Management LLP (RAM LLP)    | ^                      | Full Consolidation     |

Source: Company, ICRA Research, ^Promoters of RPPL have 100% shareholding in RRLLP, RAM LLP and 49% shareholding in RIPL

## ANALYST CONTACTS

**Ashish Modani**

+91 22 6169 3300

[ashish.modani@icraindia.com](mailto:ashish.modani@icraindia.com)

**Abhishek Lahoti**

+91 40 6939 6433

[abhishek.lahoti@icraindia.com](mailto:abhishek.lahoti@icraindia.com)

**Anupama Reddy**

+91 40 6939 6427

[anupama.reddy@icraindia.com](mailto:anupama.reddy@icraindia.com)

**Rabbani Mohammed D**

+91 40 6939 6422

[d.rabbani@icraindia.com](mailto:d.rabbani@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.