

October 17, 2025

Rajapushpa Asset Management LLP: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loans	650.00	1,050.00	[ICRA]BBB+ (Negative); reaffirmed and assigned for enhanced amount
Long-term – Fund-based – Unallocated	10.00	10.00	[ICRA]BBB+ (Negative); reaffirmed
Total	660.00	1,060.00	

*Instrument details are provided in Annexure I

Rationale

The rating action for Rajapushpa Asset Management LLP (RAMLLP) factors in the favourable location of both the commercial projects (Paradigm and Summit), which are 100% leased. The commercial projects are expected to generate annualised rentals of ~Rs. 55 crore with adequate debt protection metrics during the tenor of lease rental discounting (LRD) loans. In addition, the ongoing residential project – Casa Luxura located at Neopolis, Kokapet, Hyderabad, is well connected to IT and commercial hubs like Hitech City, Gachibowli, and Financial District, enhancing its marketability. Further, RAMLLP is constructing a warehousing unit with a leasable area of 0.4 msf (developer share of 0.29 msf) at Bandamailaram, Hyderabad, which is 100% pre-leased. ICRA expects Rajapushpa Properties Private Limited (RPPL – rated at [ICRA]A-(Negative)) to provide timely financial support to RAMLLP, for any funding shortfall, given the common promoters and to protect RPPL/Rajapushpa Group’s reputation from the consequences of a Group company’s distress. The rating draws comfort from the Rajapushpa Group’s established track record and demonstrated execution capabilities in Hyderabad with a cumulative supply of around 40 million square feet (msf) over last 15 years encompassing both ongoing and completed projects. Additionally, two completed commercial office properties—The Summit and The Paradigm—are fully leased, contributing annual rentals of around Rs. 55 crore.

The rating is, however, constrained by the moderation in sales and collections in the ongoing large-size premium residential project – Casa Luxura (3.99 msf), whose sales stood at 12% as on June 30, 2025 (~8% as of November 2024) with 53% collection of the total sales proceeds. As the project’s construction is expected to be largely funded through customer advances and Rs. 500 crore of sanctioned construction finance debt, the sales velocity will remain a key monitorable. In addition, RAMLLP has availed Rs. 400 crore of debt in August 2025, which will be utilised for other Rajapushpa Group projects, consequently adversely impacting its leverage. In addition, the Negative outlook on the rating of RAMLLP reflects ICRA’s outlook on the long-term rating for the bank facilities of the support provider – RPPL – rated at [ICRA]A-(Negative). The Negative outlook 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 an increase in debt levels by 42.4% YoY as of March 2025 to fund project construction and land acquisitions, resulted in high leverage, which is likely to remain elevated as of March 2026 compared to ICRA’s earlier estimates.

The rating is constrained by the high execution and market risks for its premium residential project – Casa Luxura with a saleable area of 3.99 msf, wherein ~88% of the cost is yet to be incurred and 88% of the area is yet to be sold as of June 2025. However, comfort can be drawn from the Rajapushpa Group’s track record in the residential real estate in Hyderabad, which mitigates the risk to an extent. The rating factors in the vulnerability of its sales to any downturn in the residential demand and stiff competition within the region from various established real estate developers. Further, the rating considers RAMLLP’s exposure to tenant concentration risk in commercial office projects with top 5 tenants occupying 83% of leasable area of Summit (0.27 msf) and Paradigm (0.65 msf) being leased to a single tenant.

The Negative outlook on the long-term rating of RAMLLP reflects ICRA's view on the long-term rating for the bank facilities of the support provider of RAMLLP – Rajapushpa Properties Private Limited (RPPL – rated at [ICRA]A-(Negative)). Further, the outlook considers the moderation in sales velocity of Casa Luxura project under RAMLLP and expected increase in RAMLLP's leverage due to new debt availed.

Key rating drivers and their description

Credit strengths

Established track record of Rajapushpa Group in Hyderabad real estate market – The Rajapushpa Group has an established track record and demonstrated execution capabilities in Hyderabad with a cumulative supply of around 40 msf over the last 15 years encompassing both ongoing and completed projects. Additionally, two completed commercial office properties—The Summit and The Paradigm—are fully leased, contributing annual rentals of around Rs. 55 crore.

Favourable location of ongoing residential project; 100% leasing of operational commercial projects – Both the commercial projects (Paradigm and Summit) are favourably located and are 100% leased. The commercial projects are expected to generate annualised rentals of ~Rs. 55 crore with adequate debt protection metrics during the tenor of the LRD loans. In addition, the ongoing residential project – Casa Luxura, located at Neopolis, Kokapet, Hyderabad, is well connected to IT and commercial hubs like Hitech City, Gachibowli and Financial District, enhancing its marketability. Further, RAMLLP is constructing a warehouse with a leasable area of 0.4 msf (developer share of 0.29 msf) at Bandamailaram, Hyderabad, which is 100% pre-leased.

Credit challenges

Exposure to execution and market risks for ongoing residential project – RAMLLP is exposed to high execution and market risks for its ongoing premium residential project, Casa Luxura, with a saleable area of 3.99 msf, wherein ~88% of the cost is yet to be incurred and 88% of area is yet to be sold as of June 2025. As the project's construction is expected to be largely funded through customer advances and Rs. 500 crore of sanctioned construction finance debt, the sales velocity of the project will remain a key monitorable. However, comfort can be drawn from the Rajapushpa Group's track record in the residential real estate in Hyderabad, which mitigates the risk to an extent.

Cyclicality inherent in real estate sector and geographical concentration risk – Being a cyclical industry, RAMLLP is exposed to the vulnerability of its sales to any downturn in the residential demand and stiff competition within the region from various established real estate developers. The real estate business is highly dependent on macro-economic factors, which exposes its sales to any downturn in real estate demand. In addition, RAMLLP is mainly concentrated in Hyderabad, which leads to geographical concentration risk.

Liquidity position: Adequate

RAMLLP's liquidity is adequate. As on June 30, 2025, it has unencumbered cash balances of Rs. 34 crore and has scheduled repayment obligations of Rs. 6.8 crore in FY2026 and Rs. 11.9 crore in FY2027, which are expected to be serviced through its estimated cash flows from operations and support from RPPL, if required. In addition, it has undrawn amount of Rs. 900 crore from lenders, with Rs. 500 crore for construction of Casa Luxura and the remaining for other projects under the Rajapushpa Group.

Rating sensitivities

Positive factors – The outlook can be revised to Stable if there is improvement in credit profile of RAM LLP’s support provider – RPPL or if there is healthy increase in sales and collections of ongoing residential project, while maintaining healthy occupancy of office portfolio resulting in an improvement in cash flows and debt protection metrics.

Negative factors – The rating may be downgraded if there is a decline in occupancy of the office portfolio or subdued sales and collections in the residential project adversely impacting the cash flows from operations and debt protection metrics on a sustained basis. Also, the rating might be downgraded in case of weakening of linkages with RPPL, or if there is a deterioration in the credit profile of RPPL.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Rating Methodology Realty – Lease Rental Discounting Realty – Commercial/Retail/Residential
Parent/Group support	Support Provider: Rajapushpa Properties Private Limited (RPPL) (rated at [ICRA]A- (Negative)) Given the strong operational and financial linkages, as well as a common treasury, RPPL is expected to provide timely financial support to RAMLLP to protect its reputation from the consequences of Group company’s distress. Further, RPPL has provided corporate guarantee to the loan availed by RAMLLP.
Consolidation/Standalone	Standalone

About the company

RAMLLP, incorporated in August 2019, develops residential and commercial properties in Hyderabad. At present, it owns two completed commercial assets, Paradigm and Summit, which together offer a total leasable area of 0.91 msf and is developing Casa Luxura, a premium residential project located in Neopolis, Hyderabad, with a saleable area of 3.99 msf. It has also entered the warehousing segment and has started construction of Vault-1 at Bandamailaram, Hyderabad, which has been pre-leased (0.29 msf).

Key financial indicators

RAMLLP (Standalone)	FY2024	FY2025
	Audited	Provisional
Operating income	19.6	41.4
PAT	-35.0	19.9
OPBDIT/OI	84.3%	70.8%
PAT/OI	-178.7%	-48.1%
Total outside liabilities/Tangible net worth (times)	-13.8	-14.2
Total debt/OPBDIT (times)	14.2	12.9
Interest coverage (times)	0.6	1.4

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	Amount Rated (Rs. crore)	Oct 17, 2025	Current (FY2026)		Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long Term	1,050.0	[ICRA]BBB+ (Negative)	Sep 19, 2025	[ICRA]BBB+ (Negative)	Dec 31, 2024	[ICRA]BBB+ (Stable)	-	-	-	-
				-	-	Sep 23, 2024	[ICRA]BBB+ (Stable)	-	-	-	-
Unallocated limits	Long Term	10.00	[ICRA]BBB+ (Negative)	Sep 19, 2025	[ICRA]BBB+ (Negative)	-	-	-	-	-	-

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 loan (LRD)	FY2022	NA	FY2035	550.00	[ICRA]BBB+ (Negative)
NA	Term loans	FY2025	NA	FY2029	500.00	[ICRA]BBB+ (Negative)
NA	Unallocated limits	NA	NA	NA	10.00	[ICRA]BBB+ (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 – Not applicable

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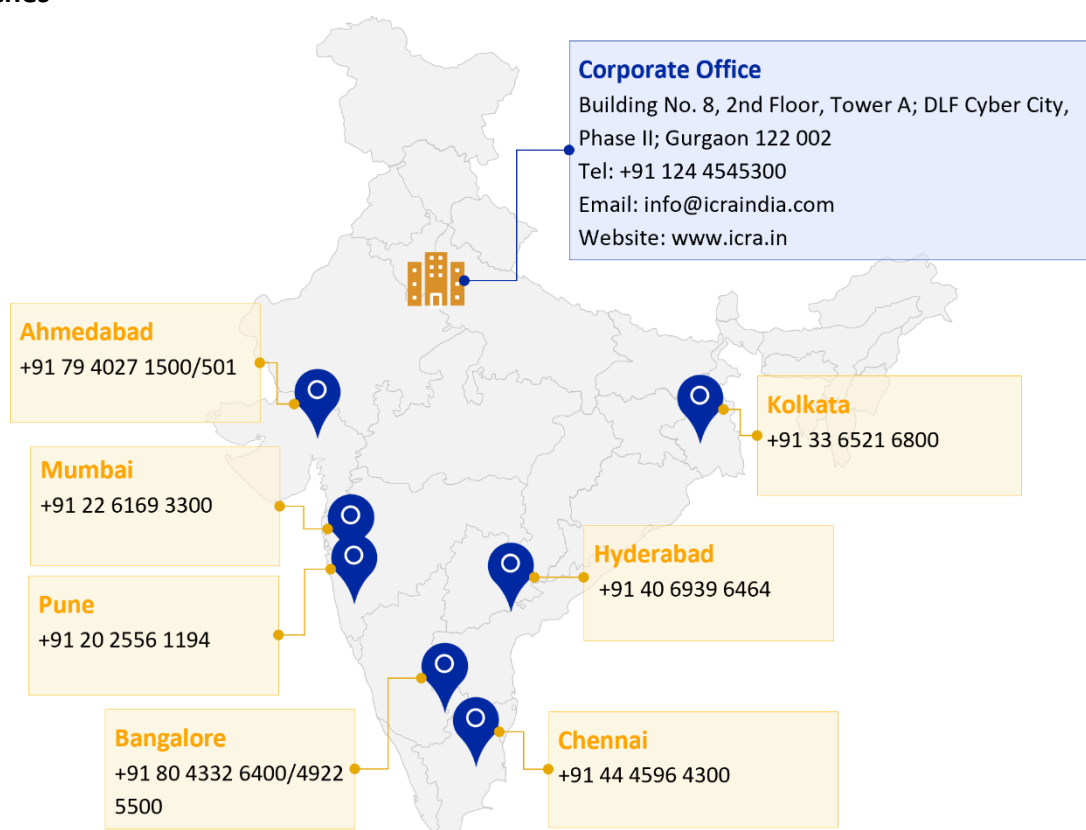
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