

December 16, 2025

Vama Infratech LLP: [ICRA]BB- (Stable)/[ICRA]A4; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund-based term loan	73.00	[ICRA]BB- (Stable); assigned
Long term/Short term – Unallocated limits	1.46	[ICRA]BB- (Stable)/[ICRA]A4; assigned
Total	74.46	

*Instrument details are provided in Annexure I

Rationale

The ratings assigned to Vama Infratech LLP (VI) reflect ICRA's expectation that the company will benefit from the promoters' significant experience in the real estate sector and the strategic location of its upcoming project in Vesu, Surat (Gujarat), which has witnessed steady demand in recent years. VI is developing a residential project named '88 Royals', which has four residential towers with 88 5 BHK flats across a super built-up area of 5.5 lakh square feet. The ratings are supported by the low funding risk as term debt has already been tied up and promoter fund has been infused. Moreover, the project is progressing as per the original schedule, with the entire construction expected to be completed in October 2028.

However, the ratings are constrained by the nascent stage of construction, exposing the company to execution risks. Time or cost overruns could adversely impact the financial risk profile and remain a key monitorable. VI's ability to complete the construction on time, provide possession and achieve the targeted revenues and margins will be crucial. Also, its efficiency in selling units and collecting payments from customers on time will be monitorable. Any significant delays could increase funding requirements, which are likely to be met by the promoters.

The Stable outlook reflects ICRA's view that VI will leverage its promoters' expertise and track record of completing projects on time and the ability to collect advances to support growth in the near term.

Key rating drivers and their description

Credit strengths

Extensive experience of the promoter in similar line of business – The promoters of Sumeru Group and Shilalekh Group have jointly established VI to develop 88 Royals, a premium project located in the upscale Vesu area of Surat. Both Groups bring extensive experience in executing large-scale real estate developments. Sumeru Group, founded by Mr. Babulal P. Shah in 2001, has delivered various projects such as Sumeru Business Corner, Radisson Hotel, and Sumeru Golden Leaf, along with ventures like Balaji Infra and Sumeru Sky Leaf. Similarly, Shilalekh Group, established in 1993 by Mr. Jayantilal Mafatlal Koradiya, has developed notable projects including Sovereign Shoppers, City Square, Shukan Residency, Silicon Luxuria, and Shukan Lifestyle, with ongoing projects like Shilalekh Imperia and Shilalekh Residency.

Limited funding risk as entire term debt tied up – The project cost is funded through a mix of bank debt and partners' contributions in the form of equity and unsecured loans. The term loan is secured by the company while a significant portion of the equity and unsecured loans has already been infused by the partners. Additionally, VI has maintained a contingency buffer, which can be further infused as unsecured loans if required.

Credit challenges

Execution risk persists – The project is in the early construction phase, having commenced in February 2025, with completion targeted for October 2028. The land has been acquired and two towers have already reached the fourth floor while work on the remaining two towers will commence in January 2026. Any delay could lead to incremental costs and operational challenges, along with a potential increase in input costs, impacting the overall execution. Timely completion is, therefore, critical for the success of the project.

Exposed to geographical concentration risk and cyclical in real estate industry – The company faces high geographical concentration risk as it has only one project, which is confined to Vesu, Surat. The real estate sector is cyclical, characterised by volatile prices and a fragmented market with numerous regional players. Additionally, being highly dependent on macroeconomic factors, the sector exposes VI to demand downturns and intense competition from established players in the region.

Liquidity position: Stretched

The company's liquidity position is expected to remain stretched as the construction is currently in the nascent stage and it does not have any working capital facilities. The partners will extend funding support in case of any cost overrun or cashflow mismatch.

Rating sensitivities

Positive factors – Timely completion of the project without any debt funded cost overrun may also result as a positive factor.

Negative factors – Delay in completion of construction resulting in delay of advance collection and / or any additional large debt funded capex or cost overrun leading to increase in leverage levels may put pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Commercial/Residential/Retail
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Sumeru Group and Shilalekh Group have established Vama Infratech LLP, a joint venture for the development of '88 Royals', a luxury residential project in Vesu, Surat. The project features four towers, each comprising 22 ultra luxurious 5 BHK residences with more than 50 amenities. Project construction began in February 2025 on acquired land and construction is expected to be completed by October 2028.

Key financial indicators

Standalone	FY2025*
Operating income	-0.4
PAT	0.0
OPBDIT/OI	-393.8%
PAT/OI	-0.1%
Total outside liabilities/Tangible net worth (times)	0.1
Total debt/OPBDIT (times)	3.9
Interest coverage (times)	1.0

Source: Company, ICRA Research; *Provisional numbers; 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

Current (FY2026)				Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Dec 16, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based term loan	Long term	73.00	[ICRA]BB- (Stable)	-	-	-	-	-	-	-	-
Unallocated limits	Long term/ Short term	1.46	[ICRA]BB- (Stable)/ [ICRA]A4	-	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based term loan	Simple
Long term/Short 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	FY2025	9.5%	FY2031	73.00	[ICRA]BB- (Stable)
NA	Unallocated limits	NA	NA	NA	1.46	[ICRA]BB- (Stable)/ [ICRA]A4

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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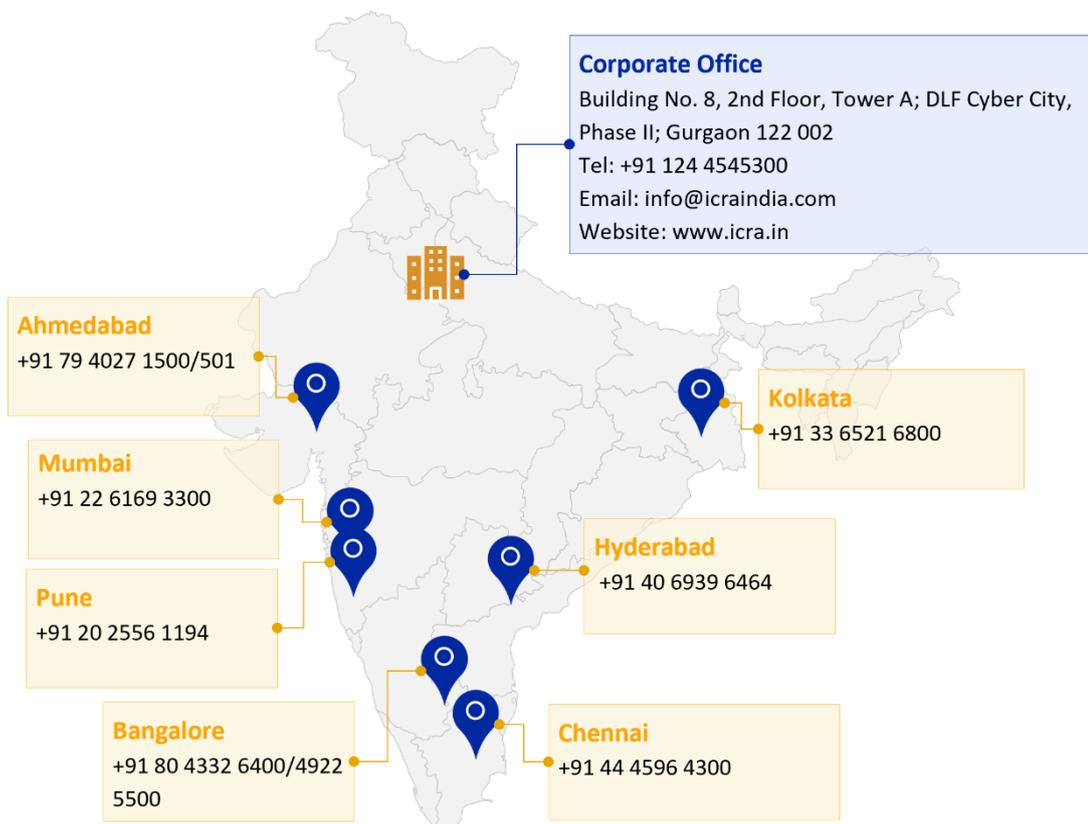
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