

February 04, 2026

Aparna Constructions and Estates Private Limited: 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 loan	1233.20	1972.20	[ICRA]A+ (Stable); reaffirmed and assigned for enhanced amount
Long-term – Unallocated Limits	0.00	27.80	[ICRA]A+ (Stable); assigned
Total	1,233.20	2000.00	

*Instrument details are provided in Annexure-I

Rationale

The rating action for Aparna Constructions and Estates Private Limited (ACEPL) reflects the expected growth in sales and collections in FY2027, supported by adequate sales velocity from the recently launched projects – Moonstone and Sunstone (part of Aparna Deccan Township) at Gopanpally, Hyderabad—and the expected launch of project Aqua at Raidurg, Hyderabad in Q1 FY2027. The favourable location of these projects is expected to enhance their overall marketability as these micromarkets benefit from the proximity to major IT corridors and commercial hubs – Hitech City, Gachibowli, Financial District and Kokapet. These new projects along with sales from other ongoing and completed residential projects, are expected to drive sales and collections in FY2027.

ICRA notes that the overall sales in Hyderabad residential real estate market witnessed a steep decline in FY2025 and sales are expected to be muted in FY2026. Consequently, the cash flow from operations (CFO) for ACEPL has witnessed moderation which along with increase in debt levels to fund project construction, resulted in relatively higher leverage than ICRA's earlier estimates in FY2025 and FY2026. However, considering the expected adequate sales velocity of the recently launched projects and upcoming launches, along with healthy construction progress, the collections are projected to grow 14–15% YoY to Rs. 4300-4400 crore in FY2027, thereby improving CFO. The leverage as measured by debt/CFO is expected to be below 3.0 times in FY2027.

The rating also considers 100% leasing of its commercial properties – Neo Mall and Aparna IT Park, translating to rentals of around Rs. 30-35 crore per annum. At present, Aparna IT Hub commercial office project is under-construction, which is scheduled to be completed in FY2027. There is no debt outstanding against the commercial projects and the company plans to not avail any debt for commercial portfolio.

The rating draws comfort from the established track record of the Aparna Group delivering more than ~30 msf of area over three decades in Hyderabad. Moreover, backward-integrated operations with the Group company –Aparna Enterprises Limited (AEL, rated [ICRA]A-(Stable)/[ICRA]A2+), which provides building materials, leads to improved control over cost and quality.

The rating is, however, constrained by the market risk for the ongoing large-sized projects – Sunstone, Moonstone, Synergy, Greenscapes, and sizeable ready to move in inventory (RTMI) of completed projects (Yellow bells, Serenity, Marigold, Palmwoods, Amaravathy and Aparna One) estimated at Rs. 1250-1350 crore. Nevertheless, the established presence in the industry and its strong brand reputation in Hyderabad mitigates the risk to an extent. The company is exposed to moderate execution risk as six out of fourteen ongoing residential projects are at early stages of construction with less than 30% of

construction cost incurred as of September 2025. Hence, there is dependence on future sales to fund pending project cost as indicated by cashflow adequacy ratio (receivables / (pending construction cost + outstanding debt)) of 43% as of November 2025 (67% as of September 2024). However, comfort can be driven by the strong execution capabilities and timely delivery of projects demonstrated by the Group over the past three decades. The rating is also constrained by the geographical concentration risk, as ongoing development activities are primarily focused on Hyderabad. While the Group has made efforts to expand into new markets, success has been limited. The credit profile of ACEPL is exposed to the inherent cyclicality of the real estate sector and is vulnerable to external factors.

In line with plans to divest Aparna Pharmaceuticals Private Limited (APPL), ACEPL sold 33.28% of its stake to promoters. Going forward, the divestment process is expected to continue in phased manner during FY2026-2028 whose proceeds will be utilized for working capital requirement or prepayment of debt, etc, which will remain a monitorable.

The Stable outlook on the rating reflects ICRA's expectation that the company will continue to maintain healthy sales and collections across majority of its projects resulting in an improvement in CFO and leverage position, while maintaining adequate liquidity position.

Key rating drivers and their description

Credit strengths

Favourable location of recently launched residential projects to support sales velocity in near to medium term – ACEPL's growth in sales and collections in FY2027 is expected to be supported by the adequate sales velocity from the recently launched projects – Moonstone and Sunstone (part of Aparna Deccan Township) at Gopanpally, Hyderabad—and the expected launch of project Aqua at Raidurg, Hyderabad in Q1 FY2027. The favourable location of these projects is expected to enhance their overall marketability as these micromarkets benefit from the proximity to major IT corridors and commercial hubs – Hitech City, Gachibowli, Financial District and Kokapet. These new projects along with sales from other ongoing and completed residential projects, are expected to drive sales and collections in FY2027.

Expected improvement in collections in FY2027 – ICRA notes that the overall sales in Hyderabad residential real estate market witnessed a steep decline in FY2025 and sales are expected to be muted in FY2026. Consequently, the CFO for ACEPL has witnessed moderation which along with increase in debt levels to fund project construction, resulted in relatively higher leverage than ICRA's earlier estimates in FY2025 and FY2026. However, considering the expected adequate sales velocity of recently launched projects and upcoming launches, along with healthy construction progress, the collections are projected to grow by 14–15% YoY to Rs. 4300-4400 crore in FY2027, thereby improving CFO.

Established track record and strong brand presence of Aparna Group in Hyderabad– The rating draws comfort from the established track record of the Aparna Group delivering more than ~30 msf of area over three decades in Hyderabad. Moreover, backward-integrated operations with the Group company – Aparna Enterprises Limited, which provides building materials, leads to improved control over cost and quality. In addition, ACEPL has completely leased of its commercial properties – Neo Mall and Aparna IT Park, translating to rentals of around Rs. 30-35 crore per annum. At present, Aparna IT Hub commercial office project is under-construction, which is scheduled to be completed in FY2027. There is no debt outstanding against the commercial projects and the company plans to not avail any debt for commercial portfolio.

Credit challenges

Exposed to market risk for recently launched projects and moderate execution risk – ACEPL is exposed to market risk for the ongoing large-sized projects – Sunstone, Moonstone, Synergy, Greenscapes, and sizeable RTMI of completed projects estimated at Rs. 1250-1350 crore. Nevertheless, the established presence in the industry and its strong brand reputation in Hyderabad mitigates the risk to an extent. The company is exposed to moderate execution risk as six out of fourteen ongoing residential projects are at early stages of construction with less than 30% of construction cost incurred as of September 2025. Hence, there is dependence on future sales to fund pending project cost as indicated by cashflow adequacy ratio (receivables / (pending construction cost + outstanding debt)) of 43% as of November 2025 (67% as of September 2024). However, comfort can be driven by the strong execution capabilities and timely delivery of projects demonstrated by the Group over the past three decades.

Increase in leverage, however, expected to improve by March 2027 – ACEPL witnessed moderation in CFO which along with increase in debt levels to fund project construction, resulted in relatively higher leverage than ICRA's earlier estimates in FY2025 and FY2026. However, considering the expected adequate sales velocity of the recently launched projects and upcoming launches, along with healthy construction progress, the collections are projected to grow by 14–15% YoY to Rs. 4300-4400 crore in FY2027, thereby improving CFO. The leverage as measured by debt/CFO is expected to be below 3.0 times in FY2027.

Susceptibility to inherent risks in the real estate sector – The company is exposed to high geographical concentration risk, as the ongoing development is primarily limited to Hyderabad. The Group has attempted to venture out in new geographies but had limited success. The real estate sector is cyclical and has a highly fragmented market structure because of many regional players. In addition, being a cyclical industry, the sector is highly dependent on macroeconomic factors, which exposes its sales to any downturn in demand.

Liquidity position: Adequate

The company's liquidity position is adequate. ACEPL has Rs. 202 crore in cash and liquid investment as on December 31, 2025. In addition, it has undrawn debt of Rs. 1,143 crore as on September 30, 2025. It has scheduled debt repayment obligations (post accelerated debt repayments) of Rs. 103 crore in H2 FY2026 and ~Rs. 835 crore in FY2027, which can be comfortably met through its estimated cash flow from operations.

Rating sensitivities

Positive factors – The rating might be upgraded, in case of improved diversification in the business profile and significant growth in sales and collections in ACEPL's project portfolio resulting in robust growth in cash flow from operations, lower reliance on debt funding and improvement in leverage metrics on a sustained basis. Specific credit metrics that could lead to an upgrade include Total Debt/CFO remaining below 1.75 times on a sustained basis.

Negative factors – Pressure on ACEPL's rating could arise if the company's cash flow or leverage position is impacted by any sustained weakness in sales of ongoing and upcoming projects or large debt-funded investments. Further, the material increase in non-core investments and associated debt-funded capex (if any) will be a credit negative. Specific credit metrics that could lead to a downgrade include Total Debt/CFO remaining above 3.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the company's consolidated financial statements. List of entities which are consolidated are shown in Annexure II.

About the company

Aparna Constructions and Estates Private Limited (ACEPL), the flagship company of the Aparna Group, was incorporated in 1996 by Mr. S. Subrahmanyam Reddy and Mr. C. Venkateswara Reddy to undertake real estate development in Hyderabad. Over the last three decades, the Aparna Group has expanded its portfolio to 71 projects, of which 63 are residential properties and 8 are commercial and retail spaces across the states of Telangana, Andhra Pradesh and Karnataka. The portfolio comprises fully integrated gated communities of apartments, villas, plot layouts, commercial and retail projects. The Group holds a land bank of around 160 acres as on September 30, 2025, under various companies and is also backward integrated through Aparna Enterprises Limited, which manufactures ready-mix concrete (RMC), UPVC doors and windows and tiles to have better control over cost and quality.

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	3,928.1	3,800.6
PAT	550.3	671.3
OPBDITA/OI	26.8%	30.5%
PAT/OI	14.0%	17.7%
Total outside liabilities/Tangible net worth (times)	1.3	1.1
Total debt/OPBDITA (times)	1.7	1.8
Interest coverage (times)	7.3	7.9

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:

CRA	Status	Date of Release
CRISIL	CRISIL BB+ /Stable (ISSUER NOT COOPERATING)	October 17, 2025

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs crore)	Feb 04, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	1,972.20	[ICRA]A+ (Stable)	Dec 16, 2024	[ICRA]A+ (Stable)	Apr 10, 2023	[ICRA]A (Stable)	-	-
			-	-	-	Mar 19, 2024	[ICRA]A (Stable)	-	-
Unallocated limits	Long Term	27.80	[ICRA]A+ (Stable)	-	-	Mar 19, 2024	[ICRA]A (Stable)	-	-
Fund-based-Cash credit	Long Term	-	-	-	-	Apr 10, 2023	[ICRA]A (Stable)	-	-
			-	-	-	Mar 19, 2024	[ICRA]A (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long term – Unallocated Limits	Not Applicable

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	-	FY2033	1972.20	[ICRA]A+ (Stable)
NA	Unallocated limits	-	-	-	27.80	[ICRA]A+ (Stable)

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	ACEPL Ownership	Consolidation Approach
Aparna Infrahousing Private Limited	66.72%	Full Consolidation
Aparna Pharmaceuticals Pvt Ltd	74.99%	Full Consolidation
Aparna Reality Properties Private Limited	99.90%	Full Consolidation
Aparna Cinemas Private Limited	99.90%	Full Consolidation
North Bengaluru Properties Private Limited	99.90%	Full Consolidation
Chikka Properties Private Limited	99.90%	Full Consolidation
Kammasandra Lands Private Limited	99.90%	Full Consolidation
North West Estates Private Limited	99.90%	Full Consolidation
South Bengaluru Properties Private Limited	99.90%	Full Consolidation
Aparna Cinemas Private Limited	99.90%	Full Consolidation

Source: Company

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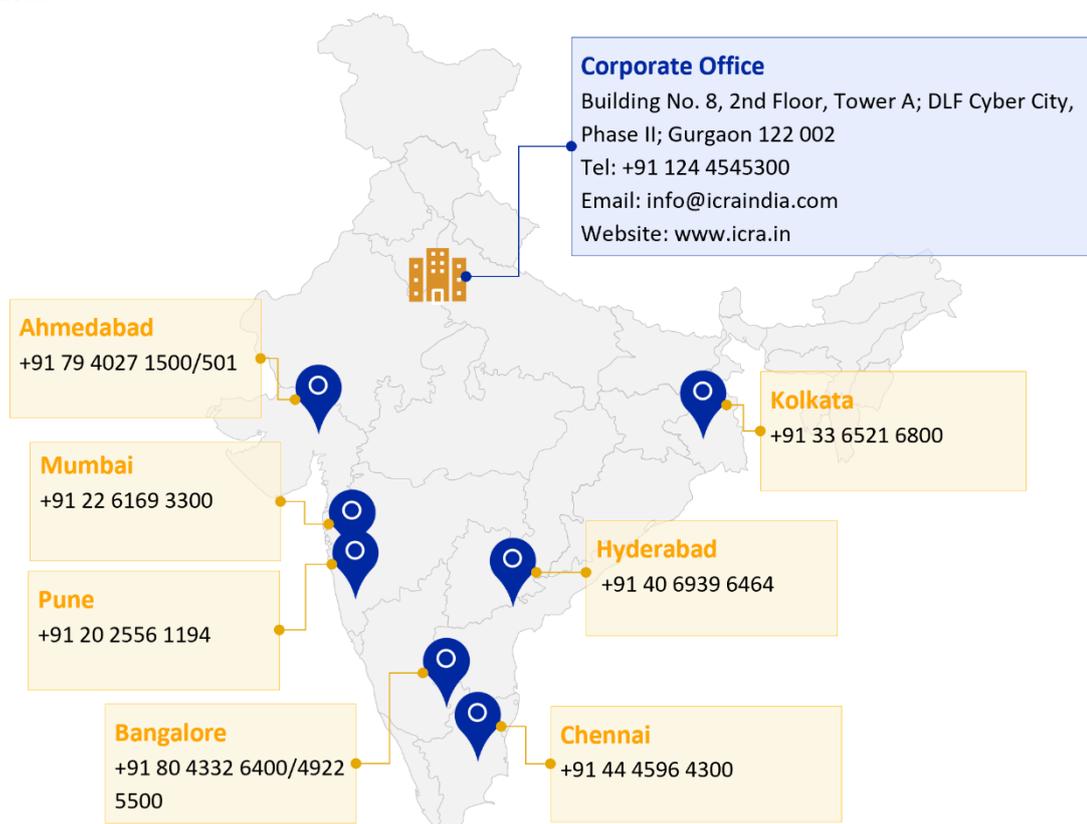
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