



Press Release
AVIGNA HOUSING PRIVATE LIMITED
October 01, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	325.00	ACUITE BB Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	325.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of **‘ACUITE BB’ (read as ACUITE double B)** on the Rs.325.00 Cr. bank facilities of AVIGNA HOUSING PRIVATE LIMITED (AHPL). The outlook is **‘Stable’**.

Rationale for rating assigned

The rating assigned reflects extensive management experience of around two decades in the real estate services especially in land acquisition, plotting and leasing of warehouses. The rating further considers the co-obligor structure ringfenced to acquisition and unlocking value of project assets of the security providers and tied up of sale agreements with the prospective buyers of the land. Further, the free land holding of over 200 Acres at Avigna group further expected to support the liquidity. However, the rating is constrained on account of tightly matched cash outflows with inflows from rentals and land sale over the tenure of the debt. Further, the cash flows likely to remain susceptible to cyclicalities in the real estate sector.

About Company

Incorporated in 2012, Avigna Housing Private Limited (AHPL) is a part of Tamil nadu based Avigna Group. The company is engaged in sale, plotting of land and construction of villas and Apartments. The directors include Mr. Shivagnanam Rajasekaran, Mr. Rajasekaran Naveen Manimarra.

About the Group

The Avigna Group includes entities such as Avigna Housing Private Limited (AHPL), Avigna Jeya Private Limited (AJPL), Avigna Amaira Private Limited (AAPL), and Avigna Parks Private Limited (APPL), which are actively engaged in real estate services. Their operations span land plotting, sale of residential plots, construction of villas and apartments, and leasing of warehousing infrastructure.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has consolidated the standalone business and financial risk profile of Avigna Housing Private Limited (AHPL), Avigna Jeya Private Limited (AJPL), Avigna Amaira Private Limited (AAPL), Avigna Parks Private Limited (APPL), together referred to as Avigna Group (AG) to arrive at the rating. The consolidation is on account of common management, co-obligor structure with pledge of common project assets.

Key Rating Drivers

Strengths

Extensive experience of the management

The Avigna group is led by Mr. S. Rajasekaran and Mr. Naveen Manimaran, supported by a team with relevant industry experience. Mr. Rajasekaran has been active in land acquisition across Bengaluru, Hosur, and Chennai

since 2006, and the promoters bring nearly two decades of experience in real estate services. Their background spans land plotting, sales, and warehouse leasing, which has helped the company maintain steady operations and

build long-term relationships with customers.

Acuité expects the company to continue benefiting from its established presence, recurring business from key clients, and the growing demand for organized warehousing and plotted land developments.

Escrow mechanism and co-obligor structure

The facility availed by AG is structured with a co-obligor arrangement, under which all security providers are jointly and severally liable for the full investment amount, including coupon and IRR. Project-level cash flows are routed through an escrow mechanism, ensuring payments are made in accordance with the defined repayment schedule. In addition, each security provider has extended a corporate guarantee covering the entire investment, and AG's promoters have provided personal guarantees.

Acuité believes this structure supports timely servicing of debt obligations over the medium term by prioritising debt repayments over development cost.

Weaknesses

Tightly match cash flows with inflows from rentals and land sale

The group's cash flows are dependent on income from the sale of plotted land, which tends to be uneven across months and quarters. Unlike lease rentals from warehousing assets that provide stable inflows, land sales are transaction-driven and subject to market timing. This variability can impact the debt service coverage ratio (DSCR) in certain periods. While higher inflows in select quarters may offset shortfalls, the reliance on non-recurring income introduces a degree of uncertainty in cash flow predictability. However, the risk is mitigated to an extent as AG has agreements in place with the prospective buyers for some of the project assets with agreed sales consideration.

Acuité believes, the timely sale and augmentation of expected cash flows from plotted land parcels would remain a key monitorable.

Susceptibility to geographical concentration, real estate cyclicity, regulatory risks and intense competition in the industry

The operations of the group are majorly located in and around Karnataka and Tamil Nadu which keeps the group exposed to geographic concentration risk. Further, the real estate industry in India is highly fragmented with most of the real estate developers, having a city specific or region-specific presence. The risks associated with real estate industry are cyclical in nature and directly linked to drop in property prices and interest rate risks, which could affect the operations. Moreover, the industry is also exposed to certain regulatory risks linked to stamp duty and registration tax directly impacting the demand and thus the operating growth of real estate players. Hence, business risk profile will remain susceptible to risks arising from any industry slowdown.

Rating Sensitivities

- Timely sale and augmentation of adequate cash flows from the project assets
- Any sharp decline in cash flow resulting in cash flow mismatches due to delays in sale of project assets.

All Covenants

- Creation and Perfection of security within 3 days of disbursement of encumbered Project Assets and within 7 days of acquisition in respect of lands acquired post disbursement
- Completion of land acquisition of MWC-2, land and Thally road Plotted land on or before 3 months from the disbursement
- Completion of land acquisition of DHL Warehouse Box on or before 4 months from the disbursement
- MWC-1 plotted RERA approvals within 2 months from the disbursement
- Kelamangalam plotted sanction approvals RERA approval on or before 5 months from the disbursement 6. Kelamangalam plotted and MWC-1 plotted launch on or before 6 months from the disbursement
- Thally Road Plotted project launch within 9 months from the date of disbursement.

Liquidity Position

Adequate

The company's liquidity position is expected to remain adequate to support debt servicing in the near-to-medium term on account of presence of escrow accounts to ensure timely repayment. Further, the free land holding of over 200 Acres at Avigna group level further expected to support the liquidity in time of contingencies. However, timely sale and augmentation of adequate cash flows from the project assets will be a key rating sensitivity factor.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	3.48	2.74
PAT	Rs. Cr.	(0.26)	0.09
PAT Margin	(%)	(7.46)	3.23
Total Debt/Tangible Net Worth	Times	13.69	11.02
PBDIT/Interest	Times	1.49	1.43

Status of non-cooperation with previous CRA (if applicable)

None

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	325.00	Simple	ACUITE BB Stable Assigned

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Name of the company
1	Avigna Housing Private Limited
2	Avigna Jeya Private Limited
3	Avigna Amaira Private Limited
4	Avigna Parks Private Limited

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About Acuité Ratings & Research

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