



**Press Release**  
**VAISHNAVI INFRACON INDIA PRIVATE LIMITED**  
**January 12, 2026**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	60.00	ACUITE BB   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	60.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of **'ACUITE BB' (read as ACUITE Double B)** on the Rs. 60.00 Cr. bank loan facilities of Vaishnavi Infracon India Private Limited (VIPL). The outlook is **'Stable'**.

**Rationale for rating**

The rating assigned takes into consideration the high project execution risk in 'Vaishnavi Bupara' as around 65 per cent of the total cost remains to be incurred as of November 2025. The rating also constrained on account of high offtake risk as ~13 per cent of the total units is booked, high reliance on timely receipt of customer advances from both sold and unsold inventory, geographic concentration risk and exposure to the cyclical nature of the real estate industry. However, the rating is supported by experience management and company's track record of successful and timely completion of past projects and moderate funding risk in an ongoing project.

**About the Company**

Vaishnavi Infracon India Private Limited (VIPL), headquartered in Hyderabad, was incorporated in 2009. The company is engaged in the development of residential flats, independent houses, commercial properties, and real estate projects within Hyderabad. It is led by Mr. Pandurangareddy Bushireddy and Mrs. Veena Reddy Bushireddy. The company has ongoing projects namely Vaishnavi Houdini, Vaishnavi Advaita, Vaishnavi Bupara and Vaishnavi High Street.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered standalone business and financial risk profiles of VIPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Experienced management and established track record**

VIPL is a Hyderabad-based residential and commercial real estate development company promoted by Mr. Pandurangareddy Bushireddy and Mrs. Veena Reddy Bushireddy. Mr.

Bushireddy has over two decades of experience in real estate development, having successfully delivered more than 2.3 million square feet of built-up area along with past

entities, primarily in residential projects across Hyderabad and surrounding regions. The company is currently undertaking various projects namely Vaishnavi Houdini, Vaishnavi Advaita and Vaishnavi High Street and a high-rise residential development, Vaishnavi Bupara, located in LB Nagar, Hyderabad, with a total saleable area of 338,245 square ft. Acuité believes the promoters' industry experience and established track record in real estate development would support in a successful completion of the on-going projects.

### **Moderate funding risk**

The project 'Vaishnavi Bupara' funding risk is considered moderate, based on its financial structure comprising 28 per cent promoter contribution, 37 per cent customer advances, and 35 per cent debt. A loan facility of Rs. 60 Cr. has been sanctioned, of which Rs. 20.17 Cr. has been disbursed for construction. Completion of the project is contingent on the timely release of the remaining loan amount, consistent inflow of customer advances from sold units (Received Rs. 9.31 Cr. as on November 2025, out of total estimated sale value of Rs. 220 Cr.) and timely sale of the unsold inventory.

Acuite believes that, the timely funding support by way of debt and customer advance would remain crucial for the completion of the project, thereby would remain as a key rating monitorable.

### **Weaknesses**

#### **High project implementation and offtake risk**

VIPL has four active real estate ventures in progress. Among these, Vaishnavi Houdini is approximately 95 per cent complete, and Vaishnavi Advaita around 89 per cent complete, with unit sales reaching 78 per cent and 53 per cent respectively. Vaishnavi High Street has achieved around 32 per cent construction progress, with approximately 12 per cent of units sold as of November 2025. The company is also undertaking the Vaishnavi Bupara project in LB Nagar, Hyderabad, which has received RERA approval and is scheduled for completion by June 28. The total project cost is Rs. 170.39 Cr., to be funded through promoter contribution of Rs. 48.55 Cr., debt of Rs. 60.00 Cr., and customer advances of Rs. 61.84 Cr. As of Nov 2025, Rs. 59.27 Cr. (~35 per cent) has been incurred, comprising Rs. 29.79 Cr. from promoter contribution, Rs. 9.31 Cr. from customer advances, and Rs. 20.17 Cr. through a loan facility. Project execution risk remains elevated, with ~65 per cent of construction work pending where the completion is largely dependent on the timely disbursement of debt and continued inflow of customer advances.

As of November 2025, ~87 per cent of the inventory remains unsold, indicating elevated offtake risk. However, this is partially mitigated by the project's location in LB Nagar, Hyderabad which offers connectivity to key transport infrastructure, including LB Nagar Metro Station (approximately 2 km away) and Rajiv Gandhi International Airport (around 20 km from the site).

While the group's history of on-time project delivery offers some mitigation, any delay may lead to cost and time overruns. Escalation in expenses could impact project profitability and cash flows, thereby affecting the company's ability to service its debt.

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

The operations of the company are primarily located in and around Hyderabad, which exposes it to geographic concentration risk. Further, the real estate industry in India is highly fragmented, with most developers having a city-specific or region-specific presence. The risks associated with the industry are cyclical in nature and directly linked to fluctuations in property prices and interest rates, which could affect operations. The company's track record, quality of construction, and delivery timelines will be crucial factors influencing homebuyers' purchase decisions. Given the high level of financial leverage, the cost of borrowing limits developers' ability to significantly reduce prices to stimulate sales growth. Moreover, the industry is exposed to regulatory risks related to stamp duty and registration taxes, which directly impact demand and, in turn, the operating growth of real estate players. Hence, the business risk profile will remain susceptible to challenges arising from any industry slowdown.

### **Rating Sensitivities**

- Timely completion of the project without any significant cost and time overruns

- Timely sale of unsold inventory and realisation of its customer advances
- Any sharp decline in cash flow due to delays in project execution or industry slowdown
- Any mismatch in the projected cashflows thereby affecting the DSCR and repayment of debt.

#### **Liquidity Position**

##### **Adequate**

The company is mainly dependent on external debt and customer advances for project funding. The average Debt Service Coverage Ratio (DSCR) is estimated to remain at ~1.80 times during the tenure of the loan. It is expected to generate sufficient surplus cash flows from unsold inventory over the near to medium term to meet repayment obligations and cover incremental construction costs. The presence of an escrow mechanism and timely inflow of project-related cash are expected to help VIIPL maintain an adequate liquidity position. Liquidity is also supported by the financial flexibility provided by the promoters. However, timely project execution and realization of projected cash accruals will remain key rating sensitivity factors.

#### **Outlook: Stable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	86.77	74.23
PAT	Rs. Cr.	6.55	6.63
PAT Margin	(%)	7.55	8.93
Total Debt/Tangible Net Worth	Times	1.83	2.04
PBDIT/Interest	Times	2.44	2.88

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

None

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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](http://www.acuite.in).

### Rating History :

Not Applicable

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
State Bank of India	Not avl. / Not appl.	Term Loan	19 May 2025	Not avl. / Not appl.	20 Sep 2028	60.00	Simple	ACUITE BB   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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