



Press Release

Shangrila Infracon India Private Limited

June 04, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	190.20*	IVR BBB-/Stable (IVR Triple B minus with Stable Outlook)	-	Assigned	Simple
Total	190.20 (One Hundred and Ninety Crores and Twenty Lakh Only)				

**Includes Proposed Term Loan Facilities of Rs.90.00 crore.*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned its rating assigned to the Bank facilities Shangrila Infracon India Private Limited (SIPL) based on strengths derived from reputed and resourceful promoter group, healthy sales velocity in ongoing project Abbham and locational advantages of the project. The ratings are however constrained by geographical concentration risk, project implementation risk & dependency on customer advances & pending financial closure, exposure to risks relating to cyclical in real estate industry and sizeable exposure towards Group companies/related parties.

The outlook is stable based on the resourceful promoters which gives the Company financial flexibility in times of stress.

Key Rating Sensitivities:

Upward Factors

- Improvement in the sales velocity and collections through a combination of improved sales and construction progress, such that the collections are sufficient to fund the committed costs and debt obligations.

Downward Factors

- Weaker-than-anticipated sales performance and lower-than-expected collections which may lead to increased funding risk would be a negative trigger.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Reputed and resourceful promoter Group**

SI IPL was established by Bollineni family. The family is Hyderabad based, which runs many companies with varied interest in many sectors such as health, real estate, steel, education etc. The promoters of the company is supported by the team of qualified & experienced promoters.

- **Healthy sales velocity in ongoing project Abbham**

SI IPL has shown a healthy sales velocity in its under-construction Project Abbham. SI IPL has sold around 121 units till March 2025 out of a total of 256 units (~ 47%) , with a run rate of ~ 5 units per month in the past 12 months ended April 2025. SI IPL has received Rs. ~ 170 crore as booking amounts for these units and the balance committed receivable of Rs.217 crore against these sold units, which is ~ 64% of the balance construction cost of the project Abbham.

- **Locational advantages of the project**

Project Abbham is a residential real estate project located in Kismatpur, Hyderabad. Kismatpur offers a locational advantage due to its proximity to the Outer Ring Road (ORR), Rajiv Gandhi International Airport, and the Financial District at Gachibowli, making it attractive for IT professionals and families seeking affordable housing options. The Rajiv Gandhi International Airport is only 20 km away from the locality while the Gachibowli Financial District lies only 14 km away from it. Additionally, reputed hospitals, school and other amenities are in close vicinity.



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Key Rating Weaknesses

- **Geographical concentration risk**

Currently, all the Company's ongoing projects - are in Hyderabad, Telangana. Since the Company's projects are being executed in Hyderabad micro market, it is exposed to geographical concentration risk. Fortunes of the project therefore will depend on the overall market sentiment in the region.

- **Project implementation risk, dependency on customer advances & pending financial closure**

Project Abbham is still in under early stages of construction. Out of total construction cost of Rs. 684 crore, the Company has incurred Rs. 312.00 crore or ~ 46%. The total cost of project including interest costs is Rs.684.00 to be funded by Equity contribution of Rs. 27.00 crore (4%), Term Loan Rs.234 crore (34%) and customer advances ~ Rs. 423 crore (62%). Partial financial closure of the project is yet to achieve. As, substantial portion of the project is funded by customer advances, selling the units as per schedule at attractive prices will ensure steady flow of cash flow barring which, project implementation may be jeopardized.

- **Exposure to risks relating to cyclicalities in real estate industry**

Cyclicalities in the real estate segment could lead to fluctuations in cash inflow because of volatility in realization and saleability. This may impact the debt servicing ability of the company. SIPL will remain susceptible to the inherent cyclicalities in the real estate sector.

- **Sizeable exposure towards Group companies/related parties**

The company has outstanding exposure towards loans and advances to related parties of ~ Rs. 65 crore as against tangible net worth of Rs.31.56 crore as on March 31, 2025. Though these loans carry interest rate, there are no specific payment terms for the said loans. Any delay or non-payment of these loans can jeopardize the normal operations and liquidity of the Company.

Analytical Approach: Standalone



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Applicable Criteria:

[Rating methodology for Real estate entities](#)

[Criteria of assigning rating outlook](#)

[Policy on Default recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

Liquidity – Adequate

SI IPL's liquidity is adequate. The project cost of Abbham will be partly financed by Equity Rs.27 crore; debt Rs. 234 crore and customer advances Rs.423 crore. The average cash flow cover of the project Abbham is 1.36x. The cash flow cover is sufficient to meet the upcoming debt repayments. The current ratio of the Company was 1.74x as on 31st March 2025.

About the Company

Shangrila Infracon India Private Limited is a real estate developer with its registered office in Hyderabad. The Company was incorporated in September 2012. The Company has developed total saleable area of ~ 3 lakh square feet (Isf). Currently, SI IPL is engaged in construction of residential project – Project Abbham. Project Abbham is a luxury high-rise residential project in Hyderabad, Telangana. Located in a prime area, Abbham comprises five high-rise towers with ultra-spacious flats measuring 5000, 6000, and 7000 square feet comprising 4 bhk apartments. Total Saleable area of the project is ~ 22 Isf comprising of 256 units. SI IPL acts as a developer of the project and has entered into joint development agreement with various landowners to develop Project Abbham , with total of 366 units with 256 units as share of SI IPL (70%).



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Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	49.17	148.11
EBITDA	-11.88	40.55
PAT	-9.91	23.21
Total Debt	226.64	253.98
Tangible Net Worth	-77.13	-33.80
EBITDA Margin (%)	-24.17	27.38
PAT Margin (%)	-15.33	14.64
Overall Gearing Ratio (x)	-2.94	-7.51
Interest Coverage (x)	-0.94	1.50

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-2026)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in T-1	Date(s) & Rating(s) assigned in T-2	Date(s) & Rating(s) assigned in T-3
					2023-24	2022-2023	2021-2022
1.	Term Loan	Long Term	100.20	IVR BBB-/Stable	-	-	-
2.	Proposed Term Loan	Long Term	90.00	IVR BBB-/Stable	-	-	-

Analytical Contacts:

Name: Amit Bhuwania

Tel: (022) 62396023

Email: abhuwania@infomerics.com



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About Infomerics:

Infomerics Valuation And Rating Ltd. (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd.] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	March 2028	100.20	IVR BBB-/Stable
Proposed Term Loan	-	-	-	-	90.00	IVR BBB-/Stable

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-shangrila-infracon-4june25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.