Navanaami Projects Private Limited

May 21, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	270.00	CARE BB; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of Navanaami Projects Private Limited (NPPL) is constrained by the construction risk with nascent stage of project, funding Risk with high dependence on customer advance, susceptibility of the real estate market to economic cycles and risk associated with real estate industry being subject to regulations and competition from other players. However, it derives strength from its experienced and resourceful promoters, significant capital infusion made, favourable location of the project, and stable industry outlook.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Completion of 60% of construction within the prescribed timelines
- Improved sales velocity than expected

Negative factors

- Delay in project execution
- Cost overruns or unforeseen delays in the completion of the project
- Lower sales velocity than expected

Analytical approach: Standalone, CARE Ratings, in its analysis, has considered standalone financials of NPPL.

Outlook: Stable,

The 'Stable' outlook reflects CARE Ratings' expectation of the entity being able to complete the ongoing projects within stipulated timeline while maintaining satisfactory sales velocity.

Detailed description of key rating drivers:

Key weaknesses

Construction risk with nascent stage of project:

The company has undertaken a residential building project Megaleio with 150 units and 14.87 lsft located in Appa Junction. The total cost of project is Rs. 750 crores. The same is to be funded through term loan of Rs. 270 crore, promoters' contribution of Rs. 187.50 crore and customer advances of Rs. 292.50 crore. As on March 31, 2025, the construction cost incurred in Megaleio project stood at Rs.293.36 crore which is 39.11% of the expected construction cost of Rs.750 crore and the construction cost incurred in Courtyard of Life project stood at Rs. 15.51 crore which is 19.97% of the expected construction cost of Rs. 80 crores.

Funding Risk with high dependence on customer advances: The project has seen moderate sales, with only 33 units booked out of 150 in the Megaleio project, amounting to approximately 22% till March 2025 and 17 unit in Courtyard of Life project amounting to approximately 21%. In the Megaleio project, Rs. 68.08 crores have been received as customer advances against sales of Rs. 175.46 crores and in Courtyard of life Rs. 2.38 crores have been received against sales of Rs. 18.46 crores. Also, considering nascent stage (~39.11% of total cost incurred as on March 31, 2025) of the project, collection of further advances from the customer shall be critical.

Susceptibility of the real estate market to economic cycles:

Real estate sector is highly susceptible to economic cycles. The health of an economy in terms of GDP, availability of employment, manufacturing activity, prices of goods, etc. affects the value of real estate in such a way that when the economy is sluggish, the real estate sector is affected in a similar way.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Risk associated with real estate industry being subject to regulations and competition from other players
Real estate sector demand is linked to the overall economic prospect of the country. Change in the economic outlook affects the expected cash inflows to a household, influencing their buying decision. Besides, as leverage forms an important part of funding for the buyer, availability of loan and interest rates also affects the demand of real estate properties. On the other hand, land, labour, cement, and metal prices being some of major cost centres for the sector, availability of these factors plays an important role in pricing and supply of new units. Hence, cyclicality associated with economic outlook, interest rates, metal prices, etc., also renders the real estate sector towards cyclicality. Moreover, companies in the sector are also exposed to regulatory changes, especially in countries such as India with evolving regulations. Also, there exists competition from upcoming and completed projects of other well-known developers in the region.

Key strengths
Experienced and resourceful promoters
NPPL, is part of Navanaami Group, which is promoted by Sri Gadde Venkat Naveen. He has an extensive experience in the real estate and construction industry over the last two to three decades. The Navanaami group had successfully completed and delivered over eight projects with approximately 1.5 million Sq. ft built-up area in Hyderabad and Bangalore.

Significant capital infusion made:
The promoters have made significant infusion in the form of equity share capital and unsecured loans from promoters. Amount outstanding as on March 31, 2025, was Rs. 138.04 crores in Megaleio of which Rs. 93.00 crore was equity share capital while balance in form of unsecured loans and Rs. 4.50 crore in Courtyard of Life project.

Favourable location of the project:
The project is strategically located at the TGSPA Junction, a well-connected and developing area that offers excellent accessibility to key parts of the city. With a sizable development footprint of 14.90 lakh sq. ft., the project benefits from its prime location, enhancing its attractiveness to both end-users and investors.

Stable industry outlook:
The Indian real estate sector, particularly the residential segment, continues to exhibit a stable and positive outlook, supported by a strong economic backdrop, consistent sales momentum, and evolving buyer preferences. Since the pandemic, the market has witnessed a sharp recovery, with primary sales growing at a robust pace and hitting multi-year highs across key cities. Hyderabad, in particular, has shown strong YoY growth in residential sales, driven by infrastructure development, improved connectivity, and rising demand for high-value homes. Despite a rise in unsold inventory in the affordable and mid-income segments, the luxury segment remains resilient, with faster off-take and increasing contribution to total sales. Government investments in infrastructure and a favourable macroeconomic environment further reinforce the sector’s stability and long-term growth prospects.

Liquidity: Adequate
Adequate liquidity of Navanaami Projects Private Limited is characterised by customer advances received till March 31, 2025, to the tune of Rs. 68.08 crore, whereas construction cost incurred is of Rs. 293.36 crore. The company of Rs. 107.38 crore committed receivables.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Rating methodology for Real estate sector

About the company and industry
Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Navanaami Projects Private Limited is a real estate company based in Hyderabad established in the year 2017 and is owned and managed by Mr. Shri Gadde Venkat Naveen. The Navanaami group has had a presence in Telangana and Karnataka with 8 completed residential projects, 6 being in Hyderabad and 2 in Bangalore. The group has developed 11.52 lsf of area.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	21.02	14.02	13.26
PBILDT	2.48	0.84	1.64
PAT	1.30	0.55	2.03
Overall gearing (times)	1.87	3.49	5.70
Interest coverage (times)	2.96	4.45	1.54

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Term Loan-Long Term		-	-	31-03-2026	270.00	CARE BB; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	270.00	CARE BB; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Annexure-6: List of entities consolidated: Not Applicable

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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