

## Ecstasy Realty Private Limited

March 10, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	500.00	CARE C; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non-convertible debentures	250.00	CARE C; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non-convertible debentures	600.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) vide its press release dated March 23, 2020, placed the rating(s) of Ecstasy Realty Private Limited (ERPL) under the 'issuer non-cooperating' category, as ERPL had failed to provide information for monitoring of ratings. ERPL continues to be non-cooperative despite repeated requests for submission of information through, phone calls and e-mails dated February 04, 2025; February 14, 2025; and March 03, 2025. Considering the extant Securities and Exchange Board of India (SEBI) guidelines, CARE Ratings has reviewed the rating based on the best-available information, which in CARE Ratings' opinion is not sufficient to arrive at a fair rating. Ratings for ERPL's bank facilities and instruments are denoted as CARE D/CARE C; ISSUER NOT COOPERATING\*.

**Users of these ratings (including investors, lenders and public at large) are hence requested to exercise caution while using above rating(s).**

**Rating sensitivities: Factors likely to lead to rating actions:** Not applicable

**Analytical approach:** Standalone

**Outlook:** Not applicable

### Detailed description of key rating drivers:

At the time of the last rating on March 11, 2024, the following were the rating strengths and weaknesses (updated for the information available from BSE announcements for listed debts):

#### Key weaknesses

##### Delays in debt servicing for the non-convertible debenture issue

There are ongoing delays in servicing of the non-convertible debenture (NCD) issued by ERPL.

##### Sluggishness in sales of Phase-I, though expected to improve post receipt of OC

ERPL had earlier envisaged the OC to be received in March 2018, which was received only in December 2018. Hence, the number of flats expected to be sold in FY19 were lower than that envisaged. However, after receipt of OC, sales have gathered momentum and ERPL has been able to sell eight new flats, as comfort for a buyer is higher for a flat with OC available. Currently, of the 122 available flats, 79 flats have been sold with residents moving into their apartments.

##### Partial dependency on promoter funds for NCD coupon payment

Due to above postponement of envisaged cashflows, ERPL totally depends on promoter support for repayment of the quarterly NCD coupon. Delays in servicing of the NCD issue still continue.

##### Nascent stage of the project's phase-II exposed to execution risks

For the project's Phase-II, land has been acquired and plan has been submitted to authorities for final approval, which is expected to be received shortly. Given the nascent stage of construction, with approvals pending, risk exists pertaining to the project's timely execution. Financial closure towards this is pending. With significant proportion of total cost to be funded through customer advances, funding risk persists.

##### Cyclicality in real estate industry

The capital-intensive real estate industry is highly cyclical. Though reforms announced recently in real estate sector have been taken in the right direction, the investor's confidence is yet to pick up. Major challenges pertaining to clearances, land acquisition,

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

project delay, liquidity issues, slow sales and pile-up of inventory, are yet to be addressed for complete recovery of the sector. The recent liquidity crisis in non-banking finance companies (NBFCs) and housing finance companies (HFCs) impacted the real estate sector, as accessing capital from lenders has become tougher. However, with the improvement in macro-economic conditions in the country, the real estate sector is expected to attain a gradual recovery.

## Key strengths

### Promoters' experience and track record

Shobhit J Rajan, ERPL's promoter, has over 20 years' experience in the construction industry. He was earlier a Director in Gammon India Limited and was responsible for procurement, resource raising and execution of projects. He has also been the recipient of several industrial accolades. He is assisted by a team of experienced management team. Over the years, under the leadership of Shobhit Rajan, the Raiaskaran Group (RG) has been involved in development of residential and commercial spaces in Mumbai aggregating to 2 million ft<sup>2</sup>.

### Property's prime location in Mumbai real estate market

ERPL is currently developing a premium residential tower named "Parthenon" at J P Road, Versova in Mumbai. Versova is one of the most prime locations in the western region of Mumbai. This residential tower forms phase-I of the project. ERPL is also proposing to develop phase-II, which shall be adjacent to the "Parthenon" building, comprising residential flats, commercial complex, and a club house. The project is very close to D.N. Nagar station of Mumbai Metro which provides seamless East-West suburban connectivity. The neighbourhood is also well developed with urban amenities in proximity including malls, multiplex, schools, college, and restaurants, among others. The location is ~5 km from Andheri suburban Railway station and ~10-15 km from the Mumbai Domestic and International Airport. The site is well connected by roads through S.V. Road, Western Express Highway, and Jogeshwari-Vikhroli Link Road.

### Liquidity: Poor

The company's liquidity profile is poor as reflected by ongoing delays in debt servicing

### Assumptions/Covenants

Not applicable

### Environment, social, and governance (ESG) risks

Not applicable

### Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[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

ERPL is a group company of the Mumbai-based Raiaskaran Group (RG), incorporated in 1992. RG, established by Shobhit Rajan, is in real estate development of commercial and residential spaces. ERPL is developing a residential tower named "Parthenon" (MAHARERA Registration No. P51800008444) at J P Road, Versova in Mumbai, having total saleable area of 6.35 lakh sqft. This forms phase-I of the proposed development plan of RG in Versova.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (Abridged)
Total operating income	85.75	81.16
PBILDT	77.09	15.25
PAT	-106.23	-96.41
Overall gearing (times)	NM	NM
Interest coverage (times)	0.71	0.13

A: Audited; NM: Not meaningful ; 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
Debentures-Non-convertible debentures	INE214S07018	13-Apr-2018	15%	27-Mar-2023	600.00	CARE D; ISSUER NOT COOPERATING*
Debentures-Non-convertible debentures	NA	NA	NA	Proposed	250.00	CARE C; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	NA	NA	NA	Proposed	500.00	CARE C; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information. NA: Not Applicable

#### 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	500.00	CARE C; ISSUER NOT COOPERATING*	-	1)CARE C; ISSUER NOT COOPERATING* (11-Mar-24)	1)CARE C; ISSUER NOT COOPERATING* (16-Mar-23)	1)CARE C; ISSUER NOT COOPERATING* (21-Mar-22)
2	Debentures-Non-convertible debentures	LT	600.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Mar-24)	1)CARE D; ISSUER NOT COOPERATING* (16-Mar-23)	1)CARE D; ISSUER NOT COOPERATING* (21-Mar-22)
3	Debentures-Non-convertible debentures	LT	250.00	CARE C; ISSUER NOT COOPERATING*	-	1)CARE C; ISSUER NOT COOPERATING* (11-Mar-24)	1)CARE C; ISSUER NOT COOPERATING* (16-Mar-23)	1)CARE C; ISSUER NOT COOPERATING* (21-Mar-22)

\*Issuer did not cooperate; based on best available information.

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	Debentures-Non-convertible debentures	Simple
2	Fund-based - LT-Term loan	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

## Contact us

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### About us:

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