

Shree Krishna Corporation

April 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	54.81	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to 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 Ltd. has been seeking information from Shree Krishna Corporation (SKC) to monitor the rating(s) vide e-mail communications/letters dated February 26, 2025, March 07, 2025, and March 10, 2025, among others and numerous phone calls. However, despite our repeated requests, SKC has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further, SKC has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on SKC bank facilities will now be denoted as CARE BB+; Stable; ISSUER NOT COOPERATING*.

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

The rating takes into account of the saleability risk associated with its recently completed commercial project 'Home Land City' with modest booking status, its constitution as a partnership firm and exposure to inherent risks associated with the real estate sector, vast experience of the promoters in execution of commercial real estate projects in Surat, favourable location of the project and fully completed status of the project as on February 15, 2024.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on March 29, 2024, the following were the rating strengths and weaknesses:

Key weaknesses

Moderate booking status from the on-going commercial project

SKC has sold around ~29% of the total units from its project named 'Home Land City'. Out of the total sales area of 3.84 Isf, the firm has received bookings of 1.45 Isf units as on December 31, 2023. The firm has received 59% of the booking advance as a percentage of total sale value of sold units. Further, the entire area under the multiplex and food court has been sold as on December 31, 2023.

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, thereby also 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, cyclicity associated with economic outlook, interest rates, metal prices, etc., also renders the real estate sector towards cyclicity. Moreover, the companies in the sector are also exposed to regulatory changes, especially in the countries such as India with evolving regulations. Also, there exists competition from up-coming and completed projects of other well-known developers in the region

Constitution as a partnership firm

SKC is a partnership firm constituted for construction, development of real estate including commercial/ residential complex. For partnership firms there is inherent risk of possibility of withdrawal of capital in times of personal contingency as it has limited ability to raise capital and poor succession planning may result in dissolution of the firm in case of death/insolvency of partner.

Key strengths

Completion of construction of the on-going real estate project

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Home Land City is the premium real estate project of the SKC, having total project cost of Rs. 283.08 crores. Currently, the project has been completed with total cost incurred as on Dec 31, 2023, towards the construction at Rs. 114.33 crores, thereby entailing no project implementation risk. However, the company has already received customer advance of Rs. 67.11 crore i.e. 59% of the total units booked (envisaged advances for funding the cost is Rs. 51.95 crore) towards the funding of the project.

Experienced and resourceful promoters

Shree Krishna Corporation is a partnership firm constituted in July 2004 for construction, development of real estate including commercial/ residential complex. The company is promoted by Mr Anshul Khurana with other partners. Further, the promoters of the firm have individually or jointly undertaken several residential and commercial projects within the city of Surat and have successfully completed them. The promoters / partners of the firm have experience in real estate industry and have developed various projects with a construction area of 38.29 lakh square meter.

Locational advantage

The Home Land City, is an high rise building project of SKC having a saleable area of 3.84 lsf. It is located at Surat, in Gujarat. Homeland City is situated in the most-dense locality of Surat and is in proximity from Surat's International Airport and a half hour drive to Railway Station. Further, it also has a quick, easy access to the upcoming and most anticipated project – Surat Diamond Bourse.

Liquidity: Stretched.

The liquidity of the company is stretched as reflected by low customer collection and sales momentum as against the satisfactory construction stages of ongoing project. Customer advances receivable as a percentage of total outstanding debt as on December 31, 2023, stood moderate at around 79%. As on March 31, 2023, the firm has cash and bank balance of Rs. 0.67 crore. Timely receipt of support from promoters in case of any cash flow mismatch due to lower sales velocity than envisaged as well as delays in receipt of customer advances remains a key monitorable.

Assumptions/Covenants: Not Applicable

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

Applicable criteria

[Definition of Default](#)

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

[Policy in respect of non-cooperation by issuers](#)

[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

Shree Krishna Corporation is a partnership firm constituted in July 2004 for construction, development of real estate including commercial/ residential complex. The company is promoted by Mr Anshul Khurana with other partners. Currently the firm has developed a prime retail & commercial project "Homeland City" and is located on Udhana Magdalla road (University Road), near Veer Narmad South Gujarat University in Vesu, Surat. The total area of the project, developed on a land of about 1.36 lakh sq ft (LSF) is a single structure with twin towers above the third floor with a total build up area of 3.84 LSF and consist of 368 units of commercial and retail space.

Brief Financials: Not Applicable as it's a project phase entity.

Status of non-cooperation with previous CRA: Brickworks, vide it's press release dated September 11, 2024, placed the ratings assigned to the bank facilities of SKC, as the firm did not provide the requisite information needed to conduct the rating exercise.

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
Fund-based - LT-Term Loan		-	-	Nov 2025	54.81	CARE BB+; Stable; ISSUER NOT COOPERATING*

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

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	54.81	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (29-Mar-24)	1)CARE BB+; Stable (08-Mar-23)	-

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

LT: Long term; ST: Short term; LT/ST: Long term/Short 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	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

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

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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