

Millennium Infra Square LLP

April 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	200.00	CARE BB; Stable	Upgraded from CARE BB-; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the rating assigned to the bank facilities of Millennium Infra Square LLP (MIS) considers satisfactory project progress and achievement of financial closure.

The rating, however, continues to remain constrained on account of inherent project implementation and saleability risk considering nascent stage of project execution, and nil bookings till Feb 28,2025. The rating is further constrained by its constitution as a partnership firm and exposure to inherent risks associated with the real estate sector.

The rating, however, derives comfort from established track record of the promoter group in the Surat real estate market, favourable location of the project, receipt of all requisite approvals and availability of free cashflow from other completed and ongoing projects of the group since all other projects have Nil reliance on bank debt.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Satisfactory project progress of the on-going real estate projects as per scheduled cost and time parameters.
- Healthy response from the customers and higher collection efficiency against bookings resulting in lower than envisaged reliance on debt

Negative factors

- Cost overrun by more than 20% in completion of on-going project.
- Time overrun in execution of project by more than 6 months from scheduled date of completion.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects promoters vast experience and established presence in the Surat real estate market along with favourable location of the property.

Detailed description of key rating drivers:

Key weaknesses

High implementation and saleability risk considering nascent stage of project execution and nil bookings

The project "Millennium Textile market-3 (MTM-3)" was launched in May 2023 and it is envisaged to be completed by December 2027 (as per RERA). The total project cost of "Millennium Textile Market-3" is estimated at ~Rs. 562.34 crore, which is envisaged to be funded by partners' contribution: debt: customer advances in the ratio of 46:36:18. Till Feb 28,2025 MIS had incurred cost of ~Rs. 223.96 crore i.e., 40% of the total project cost (26% as on Jan 2024), which was funded by partners' contribution: debt: creditors in the ratio of 83:16:1. However, construction is at a nascent stage with 23% of total construction cost incurred till Feb 28,2025 (5% as on Jan 31,2024). Despite initial stage, the implementation and saleability risk is partially mitigated considering promoters experience in developing millennium textile park I, II and IV in the past.

Inherent risk associated with cyclical nature of real estate sector

The life cycle of a real estate project is long and the state of economy at every point in time, right from land acquisition to construction to actual delivery, has an impact on the project. The real estate sector in India is highly fragmented with many regional players, who have significant presence in their respective local markets which in turn leads to intense competition within the industry. This sector is also sensitive to the macroeconomic cycle and interest rates. Adverse movement in interest rate affects the real estate players in both ways – by hampering demand as well as increasing the cost of construction.

Constitution as a limited liability partnership firm

The credit risk profile of MIS is constrained by its partnership constitution wherein there is an inherent risk of withdrawal of the capital which may affect its financial flexibility in the eventuality of occurrence of such event.

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

Key strengths

Experienced and resourceful partners with established track record in real estate market of Surat

MIS is promoted by Mr. Vrushal Gajera, Mr. Jatinkumar Gajera and Mr. Bakulbhai Gajera. The partners have an experience of more than two decades for successfully completing diverse real estate projects without availing any bank debt. The Laxmi group has developed more than 23.51 lakh sq. ft. of saleable area at strategic locations in Gujarat. Apart from MTM-3 (20.04 lsf), construction for 9 other projects (carpet area: 39.15 lakh sq. ft) is currently ongoing.

Availability of free cashflow from other completed and ongoing projects of the group since all other projects have Nil reliance on bank debt and achievement of financial closure

Apart from MTM-3, all the past projects of the group have been completed without availing external debt and no debt is planned to be availed for any ongoing projects. Hence, free cashflow from completed projects as well as surplus from ongoing projects will be available to MIS for funding the construction cost / repayment of proposed debt. The group has unsold inventory from completed as well as on-going projects of around ~Rs.1351 crore vis-à-vis pending construction cost of Rs. 517 crore. Committed receivables from sold inventory stood moderate at ~Rs. 58 crore. The firm achieved financial closure for the term loan of project in August 2024 and the same has been disbursed to the tune of Rs. 36.40 crore as on Feb 28,2025.

Strategic location of the project and receipt of majority of requisite permissions/ approvals

Millenium Textile market -3 is located in Anjana, Surat which known for its textile markets and commercial properties. The project is well connected to various transportation facilities in proximity. The company has received majority of the requisite approvals like building and layout plan, Environment clearance, RERA etc.

Liquidity: Stretched

MIS's liquidity is stretched marked nascent stage of construction progress, nil bookings and customer advances envisaged to be received only after part BUC is received. Project is at a nascent stage with construction cost of ~23% incurred till Feb 28,2025. Timely construction of project without any cost overrun and timely receipt of sale proceeds/ customer advances shall remain key monitorable. MIS expects part BUC to the tune of around 40% of total units to be received by end of Dec 2025 – March 2026 and same is expected to be booked in a year and remaining post entire BUC. Timely receipt of support from promoters in case of any cash flow mismatch due to delays in receipt of customer advances remains a key monitorable. Furthermore, as mentioned in sanction letter , MIS is expected to create DSRA of one quarter interest and instalment obligation prior to commencement of repayment obligation which shall provide cushion for debt servicing in case of cashflow mismatch.

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 firm and industry

Industry classification

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

Millennium Infra Square LLP (MIS) was incorporated in December 2022 by Mr. Jatinkumar Girdharbhai Gajera, Mr. Vrushal Vasantbhai Gajera and Mr. Bakulbhai Haribhai Gajera for development of Millenium Textile market-3 (MTM-3) (PR/GJ/SURAT/SURAT CITY/Surat Municipal Corporation/CAA13350/200424/311227) in Surat, Gujarat. The project consists of 986 commercial units with a built-up area of 1,86,167.37 sq. meter (carpet area of 99,118.04 sq. meter). The firm is part of Laxmi group which is engaged in manufacturing and distribution of cut and polished diamonds via flagship company Laxmi Diamonds Private Limited. The group also has strong presence of around two decades in real estate development business by the name Laxmi Developers. The group has developed more than 1500 residential units and 7100 commercial units spread across more at strategic locations in Gujarat.

Brief Financials: Not meaningful since it's a project phase entity.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Term Loan-Long Term	-	-	-	March 2029	200.00	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 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	Term Loan-Long Term	LT	200.00	CARE BB; Stable	1)CARE BB-; Stable (16-May-24)	-	-	-

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](#)

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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