

Nakshatra Infra

June 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	90.00	CARE BB; Stable	Upgraded from CARE BB-; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in the rating assigned to the bank facilities of Nakshatra Infra (NIF) is on account of the satisfactory project progress as well as moderate collection from sold units of the ongoing residential cum commercial real estate project - 'The Grasslands'. Above rating also takes into account anticipated reduction in project costs and expected early completion of the project. The rating continues to derive comfort from experienced promoters, established track record of the group in successful execution of residential and commercial projects in Gandhinagar, Gujarat as well as location advantage. The rating, however, remains constrained on account of saleability risk associated with the unsold units of the project, and low proportion of committed receivables vis-à-vis pending construction cost and outstanding debt. Further, the rating takes cognizance of entity's constitution as a partnership firm, inherent risks associated with the cyclical nature of real estate sector and high geographical concentration of operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely booking of unsold units and receipt of customer advances, along with continued satisfactory construction pace.
- Improvement in the proportion of committed receivables as a % of pending construction cost & outstanding debt to more than 50%.

Negative Factor

- Any significant time overrun or increase in construction cost by over 20% in the ongoing project.
- Lower than anticipated sales velocity or collections and / or lower than envisaged project progress leading to deterioration in debt coverage indicators.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects that NIF will derive benefit from the experience of the promoters in the real estate industry and completion of the ongoing project is expected within the estimated time and cost parameters, with the timely receipt of funds from customers.

Detailed description of key rating drivers:

Key weaknesses

Moderate saleability risk albeit increase in booking status

Booking status of NIF improved albeit it remained low at 21% till March 31, 2025 against 2% till May 28, 2024. Out of 255 units, 53 units booked consists of 47 - flats and 6 – shops with advance amount of Rs.24.69 crore till March 31, 2025 against 5 units booked till May 28, 2024. Hence, with unsold units of the project, there exists moderate saleability risk. Timely receipt of sales value for the project in a later stage shall be a key monitorable from credit perspective.

Constitution as a partnership firm

The credit risk profile of NIF remains constrained by its partnership constitution wherein there is an inherent risk of withdrawal of the capital which may affect firm's financial flexibility in the eventuality of occurrence of such event / dissolution of partnership in case of death or insolvency of a partner.

Presence in cyclical real estate sector and interest rate fluctuation risk

The real estate sector in India is highly fragmented, with numerous regional players dominating their respective local markets. This fragmentation leads to intense competition within the industry. Additionally, the sector is sensitive to macroeconomic cycles and interest rates. Adverse movements in interest rates impact real estate players in two ways: by reducing demand and increasing construction costs.

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

Key strengths

Satisfactory project progress

As of March 31, 2025, NIF has incurred total cost of Rs.121.09 crore, which is 55% of the total project cost, compared to 29% cost incurred by May 28, 2024. The funding for these incurred costs has been strategically managed through a mix of sources, including promoters fund, project term loans, and customer advances against bookings in the ratio of 32:41:27. With satisfactory project progress along with committed receivables, the project completion risk is mitigated to a certain extent.

Anticipated reduction in project costs and early completion

NIF's total expected project cost has been revised from Rs.233.51 crore to Rs.219.52 crore due to lower interest costs during construction period with envisaged early completion of project. NIF had incurred 55% of the project cost by March 31, 2025 and aims to complete the project by Q1FY27, ahead of the RERA deadline of Q3FY29, the same shall further reduce interest costs during construction period. Furthermore, booking status of NIF remained satisfactory, with advances of Rs.24.69 crore for 53 units, leading to sluggish term loan disbursement.

Experienced promoters

The promoters of NIF have two to three decades of experience in the real estate industry, primarily through executing residential and commercial projects in Gandhinagar and nearby areas. Mr. Pankaj Patel, one of the founding members of the Nakshatra group, has over two decades of experience in construction and land acquisition. Mr. Jignesh Patel, the founder of Samved Group, has more than a decade of experience in the real estate industry and oversees site supervision and construction for the organization. The promoters have worked on prime projects in Gandhinagar, Gujarat, such as Radhe Kutir, Radhe Heights, and Samved Green Valley. Mr. Prakash Patel, a co-founder of Samved Group, handles liaison work for NIF. Mr. Kanubhai Chaudhary, another promoter, manages site supervision and labour management for the current project. Mr. Rachit Patel, a partner at NIF, is responsible for marketing and sales.

Established track record of the group in successful execution of residential and commercial project

The ongoing project "The Grassland" is under the brand name of Nakshatra Group - a well-known name in Gandhinagar construction industry in last several years. The promoters of NIF belongs to Nakshatra Group and Samved Group. The group has developed more than fifty real estate projects on a combined level, having total area of more than 10 lacs Sq. Ft. in Gujarat. In the last 10 years the group has successfully completed thirteen residential and commercial projects in prime location of the Ahmedabad and Gandhinagar. Currently there are four on-going projects, including residential and commercial units in various prominent areas of South Sargasan, Gift City, and Nana Chiloda- Ahmedabad. The Group is backed by strong and dedicated team of people with required knowledge, experience, and expertise in this line of activity.

Location advantage

The project site of on-going project is located in the area of Kudasán- Gandhinagar which is one of the posh and prominent residential areas located in the southern part of Gandhinagar. Due to its strong connectivity to employment hubs like GIFT City, the area is witnessing decent growth in the residential sector. Kudasán is mostly dominated by residential apartments and independent houses. Since the project is in the developing area, the possibility of overwhelming response from upper middle-class community is high.

Liquidity: Stretched

The liquidity profile of NIF improved however it continues to remain stretched marked by moderate advances of Rs.24.69 crore received till March 31, 2025. The booking advance as percentage of total sales value remains low at around 10%. The committed receivables from sold inventory stood at Rs.28.90 crore, forming around 22% of total pending construction cost and total debt. However, undrawn portion of bank loan and pending committed receivable as on March 31, 2025 provides comfort to its liquidity position during the construction phase. Additionally, the project debt repayment will commence after a long moratorium period starting in January 2028, thus mitigating repayment risk.

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

Gandhinagar, Gujarat based Nakshatra Infra (NIF) is a partnership firm established in February-2023 by two real estate group - Samved and Nakshatra, to execute a residential cum commercial luxurious real estate project - 'The Grassland's located at Gandhinagar. NIF is established by Mr. Pankaj Patel and five other partners. Later on, in October-2023 Mr. Nirav Barolia joined the firm. The project involves construction of 4 towers consists of 13 floors each and 2 basements with a total 255 units comprising of 190 residential flats (138 4BHK and 52 3BHK) and 65 shops. The total expected project cost is Rs.219.52 crore covering total saleable area of 8.36 lakh square feet offering amenities such as Jogging Park, box cricket pitch, children play area, multipurpose court, garden etc.

Brief Financials: Not applicable 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 (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		-	-	December-2028	90.00	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	Fund-based - LT-Term Loan	LT	90.00	CARE BB; Stable	-	1)CARE BB-; Stable (28-Jun-24)	-	-

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.

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