

Hi-Speed Enterprises LLP

July 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	75.00	CARE BB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation in the ratings assigned to the bank facilities of Hi-Speed Enterprises LLP (HSEL) takes into account moderate project progress and low booking status of on-going residential real estate project 'Freedom Towers'. Ratings further continue to remain constrained due to its limited liability partnership nature of constitution as well as presence in cyclical and highly fragmented real estate industry. Furthermore, rating also takes note of stretched liquidity and dependency on the customer advances for the funding of the project which may result into liquidity mismatches in case of non-receipt or delay in the receipt of the same.

The above rating however continues to derive strength from experienced promoters, location advantage and achievement of financial closure.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Healthy response from the customers and higher collection efficiency in terms of advance received as against booking status.
- Satisfactory project progress of the ongoing real estate project as per envisaged cost and time parameters.

Negative factors:

- Cost overrun in the completion of the project.
- Delay in project execution and decline in sales velocity.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects HSEL 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

Implementation risk associated with on-going project

HSEL is developing residential real estate project in the name of "Freedom Towers" involving construction of 10 towers with total 260 units at Surat, Gujarat. The construction of the building commenced in December-2023 and is envisaged to be completed by December-2026 ahead of RERA deadline of December 2027. The total project cost is expected at ~Rs.172 crore with project gearing of 1.05x. Till May 31, 2025 HSEL has incurred ~Rs.80 crore forming 46% of total project cost as compared to 25% of cost incurred till last review dated April 30, 2024. Hence, with more than 50% of pending costs there exists project implementation risk.

Project saleability risk

Till May 19, 2025 HSEL received advance amount of ~Rs.20 crore against booking of 24 residential flats out of total 130 units launched for sale. Sales momentum remained low with 25 units booked till May 19, 2025 as against 14 units booked till June 30, 2024. As entity's reliance on customer advances for funding the project remains moderate at around 31%, timely receipt of pending advances from sold units, sale of remaining units at envisaged prices and realisation of sale proceeds shall remain crucial from the credit perspective. The launching for remaining units is expected to commence in Q2FY26. However, the project work is not envisaged to be hampered as promoters have infused larger portion of their contribution and remaining undisbursed portion of project debt in the event of achievement of financial closure.

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

Constitution as a Limited Liability Partnership (LLP)

HSEL being an LLP is exposed to inherent risk of the partners' capital being withdrawn at the time of contingency and also limits the ability to raise the capital. The partners may withdraw capital from the business as when it is required, which may put pressure on the capital structure of the firm.

Presence in a cyclical and highly fragmented real estate industry

The life cycle of a real estate project is long and the state of the economy at every point in time, right from land acquisition to construction to actual delivery, has an impact on the project. This capital-intensive sector is extremely vulnerable to the economic cycles. Currently, slowdown in sales and increased input costs has increased liquidity concerns for highly leveraged players. Further, 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. The real estate sector is sensitive to the economic 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.

Key strengths

Experienced promoters

HSEL is promoted by two designated partners –Ritesh Patel and Rahul Jain. Ritesh Patel, founder of erstwhile entity; Hi-Speed Enterprises Private Limited was engaged in dyeing and printing mills for several years and also has a considerable experience in real estate of more than decade through his association with associate firm Kohinoor Developers. Later, being the member of Patel Group, he collaborated with Jain Family to expand the real-estate business. Another partner, Rahul Jain is engaged in printing and embroidery mills for many years and is also having experience in real estate of more than 5 Years. Both the partners jointly look after operations and management of HSEL.

Favourable location of the project with availability of modern amenities

The project site of on-going project is located in the area of Vesu-Surat which is one of the posh and prominent residential areas located in the South-West area of Surat city, Gujarat. This area has witnessed a rapid development in the residential sector within a short space of time due to well-developed social infrastructure. The proposed site is very well connected to all the modes of transport, air, road, and railway. Since the project is in the developing area, the possibility of overwhelming response from upper middle class community is high. Also, the project plan is equipped with ample of modern amenities such as jogging park, garden, children play area, swimming pool, gym, library, bonfire area, jacuzzi etc.

Liquidity: Stretched

The liquidity profile of HSEL remains stretched marked by low booking advances of ~Rs.20 crore received till May 19, 2025, as the project is at nascent stage of development. The booking advance as percentage of total sales value remains low at around 7%. The committed receivable from sold inventory remains at Rs.5.95 crore, forming 5% of total pending construction cost and outstanding debt. However, undrawn bank loan is expected to provide cushion to its liquidity position during the construction phase. In case of any additional funds required the partners are capable of infusing capital.

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

Surat, Gujarat based Hi-Speed Enterprises LLP is a Limited liability partnership (LLP) formerly known as Hi-Speed Enterprises Private Limited which got converted into LLP on September 19, 2022. Promoted by 7 partners belongs to Patel and Jain family, HSEL is promoted by the two key partners Mr. Ritesh Patel and Mr. Rahul Jain. The entity is currently executing a residential real estate project - 'Freedom Towers' located at Vesu, Surat under the promoter established brand name of Kohinoor. The project involves construction of 10 towers consists of 13 floors with a total 260 units comprising of 156 3BHK (6 towers) and 104 4BHK (4 towers) residential flats offering amenities such as jogging park, garden, children play area, swimming pool, gym, library, bonfire area, jacuzzi 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		-	-	February 2030	75.00	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	75.00	CARE BB-; Stable	-	1)CARE BB-; Stable (06-Aug-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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