

Krisha Enterprises Private Limited

July 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Non Convertible Debentures	21.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE C

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated, July 15, 2024, placed the rating(s) of Krisha Enterprises Private Limited (KEPL) under the 'issuer non-cooperating' category as KEPL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. KEPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated May 13, 2025, May 14, 2025, and May 15, 2025, among others. 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.

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 has been revised on account of non-availability of information along with expectation of default considering ongoing default made by the directors in various group companies as per the CIBIL wilful defaulter list.

Analytical approach: Standalone

Detailed description of key rating drivers:

Please refer to PR dated [July 15, 2024](#) (Updated for the information available from Registrar of Companies (ROC) and CIBIL).

Key weaknesses

Default made by directors in various other group companies:

The directors of KEPL, Priyal Kantilal Patel and Pratik Harish Patel, have been recognised as wilful defaulters on the CIBIL suit filed cases. This is against default made in various group companies including Rajguru Developers Private Limited, Rajesh Cityspaces Private Limited, Rajesh Landmark Projects Private Limited, Rajesh Buildspaces Private Limited, Rajesh Business & Leisure Hotels Private Limited and Rajesh Habitat Private Limited. Further, CareEdge Ratings doesn't have any updated information on the repayment / conversion of the existing OCDs and placement of proposed NCDs and expects likelihood of default in KEPL considering ongoing default made by the directors in aforementioned group companies.

Project execution and funding risk:

Company is developing 1 tower in Mumbai. Total 160 commercial units and 7 retail units will be developed over total saleable area of 296,000 sq. ft. As on March 12, 2020, company has purchased land however the construction is yet to commence. Therefore, the completion of the construction work in timely manner needs to be seen. The total cost of the project is Rs. 241.65 crore and till March, 2020, the total expenditure of Rs.42.99 crore (18% of the total project cost) was incurred which was funded through contribution from promoters of Rs.21.99 crore and optionally convertible debenture of Rs.21.00 crore. Moreover, going forward, for the balance cost of the project amounting to Rs.198.66 crore, the company is dependent on promoters' balance contribution of Rs. 31.90 crore and balance of Rs. 166.76 crore through customer advances. Therefore, going forward timely arrangement of the above funds to complete the project without any cost and time overrun coupled with receiving of the commencement certificate and occupation certificate would be critical from the credit perspective.

Marketing risk:

KEPL is expecting an average rate of Rs. 17,087 per sq. ft. which is reasonable considering the prices prevailing of new projects in the nearby area. Company has not yet sold any unit and received advances. Therefore, going forward the timely monetization from saleable area would be critical which is highly dependent on the successful sale and customer advances to be received from the booked units. Thus, any delay in the receipt of funds from customers, ability to achieve timely sales at envisaged rates given competition from other players in the surrounding vicinity will be crucial. However, the marketing risk is mitigated to a certain extent on account of prime location of the project undertaken as well as past experience of the promoters to undertake such projects.

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

Cyclical nature of the real estate industry

The real estate in India is highly fragmented and is capital intensive in nature. 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. Adverse movement in interest rate affects the real estate players in both ways by hampering demand as well as increasing the cost of construction. The expectations of many developers have been able to hold on to the prices so far. However, given the considerable inventory levels which direction the price graph goes remains to be seen.

Key strengths:

Experienced promoters and presence in established group in real estate industry Directors

Mr. Priyal Patel and Mr. Pratik Patel have more than a decade of experience in the real estate industry. Further, the company is part of group Rajesh Lifespaces which has established presence in the real estate industry over five decades. Group has developed several projects over 9.1 million sq. ft. of land in Mumbai over the years.

Location advantage

KEPL's project is located in Vikhroli, Mumbai, being well established location and is well connected through railways and roadways with proximity to other day to day necessities. Nonetheless, its ability to monetize in timely manner amidst the cyclical nature of industry and avoid cash flow mismatches shall be critical from credit perspective.

Liquidity: Poor

The liquidity position of the company remained poor marked by inadequate accruals vis-à-vis repayment obligations.

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

Applicable criteria

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

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[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

Krishna Enterprises Private Limited (KEPL) was incorporated in 2010 by Patel family as a private limited company and is currently managed by directors, Mr. Priyal Patel and Mr. Pratik Patel, engaged in real estate development.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	0.00	0.00
PBILDT	-0.09	-0.12
PAT	-0.17	-0.12
Overall gearing (times)	NEG	NEG
Interest coverage (times)	NEG	NEG

A: Audited; NEG: Negative; 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	-	-	-	-	21.00	CARE D; 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 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	Debentures-Non Convertible Debentures	LT	21.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE C; ISSUER NOT COOPERATING* (15-Jul-24)	1)CARE C; ISSUER NOT COOPERATING* (21-Jul-23)	1)CARE C; ISSUER NOT COOPERATING* (10-Aug-22)

*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	Debentures-Non Convertible Debentures	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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