

Shubh Laxmi Enterprise

August 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	55.00 (Reduced from 120.00)	CARE BB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to Shubh Laxmi Enterprise (SLE) continue to remain constrained on account of the completion risk associated with the project which witnessed cost over-run vis-a-vis the last review, saleability risk and SLE's constitution as a partnership entity. The rating also remained constrained on account of cyclical risk along with other inherent risks associated with the real estate sector and group's geographic concentration in and around Surat.

The rating, however, derives strength from the extensive experience of the promoters in the real estate sector and other industries, along with the established brand presence of the group in the real estate market of Surat.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Completion of the project within due timeline, sale of pending units as per envisaged price and realization of customer advances in time bound manner.

Negative factors

- Delay in envisaged receipt of advances from already booked units or from future sale of units leading to cash flow mismatch and inadequate cushion for debt servicing.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the entity will continue to benefit from the experience of its promoters in the real estate sector and the near completion of its ongoing project.

Detailed description of key rating drivers:

Key weaknesses

Implementation risk associated with the ongoing debt-funded project – Surya Signature

SLE is developing a luxurious residential scheme, Surya Signature, in Vesu-Bhimrad, Surat. The project will consist of four- and five-BHK apartments across five towers, aggregating to a total of 180 units, along with various modern amenities. The project was launched in March 2020; however, construction commenced from April 2021 due to delay on account of the COVID-19 pandemic. The total cost of the project has been revised upwards to ₹335 crore (earlier ₹279.83 crore) on account of increase in input prices for construction activities, which is funded by partners' capital / unsecured loan. Up to June 30, 2025, SLE has already incurred a total cost of ₹321 crore, which translates to roughly 96% of the total envisaged project cost. The remaining cost is expected to be incurred in line with the progress of the project, which is expected to be completed by December 2025. That said, the project funding risk remains low. The total cost of ₹321 crore incurred as on June 30, 2025, has been funded by promoter contribution of around ₹117.49 crore, customer advances of around ₹142.73 (as against the initial estimate of ₹49.28 crore) and term loan of ₹85.50 crore. Going forward, against the project cost of around ₹14 crore yet to be incurred, SLE has expected customer advances from booked units of around ₹18 crore.

Saleability risk associated with the project

As on June 30, 2025, SLE has received bookings for 74 units out of the total 180 units in the project (around 41%). The said bookings are lower than the bookings envisaged during last review (98 bookings envisaged), however, with relatively higher sales realisations. With overall 58% of units yet to be booked, saleability risk persists. As articulated by the management, SLE intends to receive bookings for only 2/3rd of the units by completion, and the balance will be put up for booking post completion to achieve better realisations. Surya Signature being the largest project being developed by the group thus far, SLE's ability to sell the balance flats at envisaged rates and timely receive the customer advances will be a key monitorable.

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

Geographic concentration of the Ascon group

Since inception in the 1990s, the Ascon group's projects are geographically limited in and around only the Surat region. Apart from Surya Signature, the other ongoing projects of the group are also located in the Vesu region of Surat. Although the location of the Surya Signature project is favourable in terms of proximity to Surat Diamond Bourse, Surat airport, and other key urban centres of Surat, the geographical concentration exposes the firm and project to local risks.

Constitution as a partnership firm

SLE is a partnership firm, which restricts its financial flexibility with the possibility of withdrawal of capital by a partner from the firm. As on March 31, 2025, the partners have infused equity of ₹12.54 crore for funding project cost. The resourcefulness of the promoters of SLE thus mitigates this risk to a certain extent.

Presence in a cyclical real estate sector

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 cycles and interest rates. Any adverse movements in interest rates affect the real estate players in both ways – by hampering demand as well as by increasing the cost of construction.

Key strengths

Resourceful partners with longstanding experience in real estate and other industries

Jaiprakash Aswani and Navin Aswani are the promoters of the Ascon Group of Developers and are partners of SLE. Jaiprakash Aswani has more than 25 years of experience in the real estate sector, whereas Navin Aswani's experience in real estate spans across 15 years. The promoters are ably supported by an experienced management team of inhouse experts, who oversee and manage various projects. Apart from real estate, the partners of SLE have experience in the manufacturing of construction materials and trading as well. The promoters have brought in adequate funds for project construction, indicating their resourcefulness.

Reputed brand name in the real estate market of Surat

The Ascon group is an established real estate group in Surat and has successfully completed 17 real estate projects in the residential and commercial segments, with a total 36.30 lakh square feet (lsf) of real estate developed in Surat, with experience of more than 25 years. All the ongoing projects of the group, including Surya Signature, are situated in prime locations of Surat.

Liquidity: Stretched

The liquidity of SLE remained stretched marked by moderate booking status and low free cash and bank balance as against high term debt repayment obligations in FY26 and FY27. The company had free cash and bank balance of Rs.1.21 crore as on March 31, 2025. Further, as on March 31, 2025, the committed receivables from sold inventory stood at Rs.18.43 crore which form around 25% of total pending construction cost and outstanding debt. Further, SLE's scheduled repayment have started from April 2025.

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.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[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

SLE is a partnership firm, constituted in September 2019, for the construction and development of real estate residential projects in Surat. The partners of the firm include Jaiprakash Aswani, Navin Aswani, Geeta Prints Limited, and Aswani Industries Limited.

The firm is part of the Ascon Group of Developers, with Jaiprakash Aswani being the Founder-Promoter of the group. The group has completed 17 real estate projects in Surat and two projects are currently under development.

SLE is developing a luxurious four- and five-BHK real estate project along with modern amenities in the Vesu region of Surat, comprising of 180 units and a total carpet area of 4.40 lakh square feet (sq ft). The project construction commenced in April 2021 and is expected to be completed by December 2025 (earlier March 2025). The revised total cost of the project is envisaged at ₹335 crore (earlier ₹279.83 crore), to be funded through promoters' contribution, bank debt and customer.

Brief financials: Not applicable as it is 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
Term Loan-Long Term		-	-	March 2027	55.00	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	Term Loan-Long Term	LT	55.00	CARE BB+; Stable	-	1)CARE BB+; Stable (04-Jun-24)	1)CARE BB; Stable (28-Aug-23)	1)CARE BB; Stable (29-Jun-22)

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 lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge 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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