



Ref: CVL/SE/2025-26

May 03, 2025

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051.
Scrip Code: 511413 & 975752 (Debt) ISIN: INE559D01011 & INE559D08024 (Debt)	Symbol: CREST Series: EQ

Dear Sir/Madam,

Sub: Update on Credit Rating(s)

In accordance with the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that CARE Ratings Limited ("CARE Ratings") has:

A) Reaffirmed the following ratings as enumerated below

Facilities/Instruments	Amount (₹ in crore)	Rating	Rating Action
Issuer rating	-	CARE BBB; Stable	Reaffirmed
Long Term Instruments-Debentures-Non-Convertible Debentures (ISIN: INE559D08024)	100.00	CARE BBB; Stable	Reaffirmed

B) Withdrawn the credit rating assigned to Long Term Instruments-Debentures-Non-Convertible Debentures (ISIN: INE559D08016) ("NCDs"), as these NCDs were redeemed in full on June 15, 2024 and there is no amount outstanding under the said NCDs as on date.

The press release issued by CARE Ratings is enclosed herewith and the same are also being uploaded on the Company's website (www.crest.co.in) as required under Regulation 46 and 62 of the SEBI Listing Regulations.

Kindly take the same on your records.

Yours faithfully,

For Crest Ventures Limited

Namita Bapna
Company Secretary

CC:
Mitcon Credentia Trusteeship Services Limited
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Pune 411005, Maharashtra, India

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Mumbai, Maharashtra 400 021

Crest Ventures Limited

April 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Issuer rating	0.00	CARE BBB; Stable	Reaffirmed
Long Term Instruments-Debentures-Non-Convertible Debentures	100.00	CARE BBB; Stable	Reaffirmed
Long Term Instruments-Debentures-Non-Convertible Debentures	- (100.00)	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Issuer rating and rating assigned to long-term instruments of Crest Ventures Limited (CVL) factor in the adequate capitalisation levels and the company's moderate financial performance. The rating continues to factor in CVL's long track record of operations, experience of promoters and the management team and adequate liquidity profile. However, the rating remains constrained by CVL's sizeable presence in the real estate segment through investments and lending which exposes it to the inherent sector risk, high proportion of unsecured lending largely through inter corporate deposits (ICD) which are majorly to group companies, volatility of income from its investment book. While CARE Ratings Limited (CARE Ratings) considers CVL's ability to raise funds from banks and NBFCs at competitive rates in FY24 and 9MFY25, resource profile remains moderate considering potential reliance on ICDs which are unsecured and have relatively shorter tenure.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Sustained improvement in profitability with return on total assets (ROTA) of 2.50% on standalone basis.
- Improvement in constitution of loan book with significant diversification towards non-real estate segment.
- Diversification of resources profile with reduced reliance on short-term ICD.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Deterioration in profitability and income profile.
- Delays in construction or sale of real estate project in portfolio impacting the company's liquidity.
- Deterioration in liquidity from investments in real estate and other investments.
- Deterioration in asset quality of investment and lending portfolio with gross non-performing assets (GNPA) ratio of 1.50%.
- Increase in overall adjusted gearing (adjusted for group companies ICDs and investments) above 0.30x.

Analytical approach: Standalone

Outlook: Stable

The stable outlook considers maintaining adequate business and financial parameters of CVL in the medium term supported by improved capitalisation levels, low gearing levels, long track record of operations, experience of promoters and adequate liquidity.

Detailed description of key rating drivers:

Key strengths

Long track record of operations and experience of promoters and management team

CVL was incorporated in 1982 as "Sharyans Resources Limited". The company made an initial public offer (IPO) in 1983 on the Calcutta Stock Exchange. It was registered with RBI as a non-banking financial company (NBFC) in 2007 post which its name was

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

changed to 'Crest Ventures Limited' in 2014. Currently, the company is listed on Bombay Stock Exchange Limited (BSE Ltd) and National Stock Exchange of India Limited (NSE Ltd). The company provides loans and invests mainly in real estate projects and financial services sector. The company also has certain real estate projects on its balance sheet under own book and has demonstrated exits from such projects on completion. Crest group has delivered projects of over 10 million square feet across India and has developed real estate projects through tie-ups with companies/groups such as Kalpataru and the Phoenix Mills Limited.

CVL is headed by a team having strong experience in the real estate and financial services sector. CVL's management is headed by Vijay Choraria, promoter and managing director, who has over 30 years' experience in the real estate and financial sector.

Adequate capitalisation levels and low gearing levels

The company's capitalisation levels stand adequate, with the total capital adequacy ratio (CAR) improving to 86.54% and Tier I CAR to 84.60% as on March 31, 2024, compared to a total CAR of 85.50% and Tier I CAR of 84.14% as of March 31, 2023. CVL is well-capitalised, maintaining a significant capital cushion above the minimum regulatory requirement. The adjusted overall gearing (adjusted for group company ICDs and investments) stood at 0.27x as of March 31, 2024, up from 0.25x as of March 31, 2023. The company's net worth stood at ₹1,062 crore as on September 30, 2024, with total debt at ₹166 crore, resulting in an overall gearing of 0.16x as on September 30, 2024.

Investments in group companies and lending through ICDs

CVL is a systemically important non-deposit taking NBFC (NBFC-ND-SI) now classified as Middle Layer NBFC registered with the RBI as an investment and credit company (ICC). Being an ICC, the company has invested in the sectors such as real estate and financial services either through special purpose vehicles (SPV) or through joint venture partnerships. The company also provides loans and advances, largely, primarily to group companies for real estate projects.

As on September 30, 2024, the company had investments of ₹369 crore and loans and advances of ₹469 crore. Of the investment book, ~54% comprises exposure towards group and related entities in the form of equity and debentures along with joint venture and limited liability partnerships, ~28% comprises investment in other equity shares, 17% comprises investment in mutual funds ~1% comprises investment in alternative investment fund (AIF). The company's investment in Kara Property Ventures LLP, made through partner's current account, has been experiencing losses due to a slowdown in sales in its JV projects. However, in FY24 (from April 01 to March 31), loss from this investment decreased to ₹5 crore against ₹21 crore for FY23.

The loans are extended as ICDs. As on September 30, 2024, ~42% ICDs are towards group companies and 58% is towards non-group companies. ICDs which are extended to non-group companies are usually given to entities known to the promoters. ICDs are generally for contractual maturities of up to one year with option to call back with a notice of up to seven days and the interest ranges between 11% to 15%.

Moderate profitability, expected to improve with growth in portfolio

CVL's major sources of income are interest income from lending book largely from ICDs, deposits and other such investments, profit from sale of investments and revenue generated from sale of real estate properties.

In FY24, the company reported profit after tax (PAT) of ₹49.7 crore on total income of ₹139.9 crore compared to PAT of ₹594.8 crore on total income of ₹815.9 crore in FY23. The substantial rise in the profit reported in FY23 was mainly from stake sale in its associate company, CMDCL in May 2022. The company and its wholly owned subsidiary, Escorts Developers Private Limited, sold entire stake of 50% in Classic Mall Development Company Limited for an aggregate consideration of ₹936 crore resulting in realised profits of ₹747.6 crore on standalone basis and ₹547 crore on consolidated basis. The company increased its ICD (most unsecured) lending significantly from the proceeds of stake sale and reduced its borrowings from ICDs in FY24, which resulted in increased net interest income. The loss on share from limited liability partnership decreased in FY24.

In 9MFY25, the company reported PAT of ₹73.94 crore on a total income of ₹127.69 crore compared to PAT of ₹45.23 crore on a total income of ₹115.45 crore in 9MFY24. The rise in the PAT in 9MFY25 is attributed to high net gain on fair value changes in Q1FY25 as one associate company is being treated as investment and recorded at fair value, due to dilution in stake.

On consolidated basis, CVL reported PAT of ₹62.1 crore on total income of ₹184.0 crore in FY24 compared to PAT of ₹395.9 crore on total income of ₹650.8 crore in FY23. In 9MFY25, the company reported PAT of ₹82.25 crore on total income of ₹156.87 crore compared to PAT of ₹50.32 on total income of ₹143.93 in 9MFY24.

Going forward, as the company grows the ICD book, sustaining profitability with stable credit costs and improving the operating efficiency, would be a key rating monitorable.

Key weaknesses

Moderate resource profile

The company's borrowing profile comprises non-convertible debentures (NCD) and loans from banks and financial institutions. The company has raised the NCD in FY24 and funds from NBFCs, diversifying resource base which was earlier concentrated with only two lenders. CVL also resorts to short-term borrowings through unsecured ICDs from corporates.

Volatility of income considering investment nature of business

The company's income profile primarily comprises management fees, interest income on its lending activities and income from real estate and related activities which is subject to market vulnerabilities. Being an investment company, stability of CVL's income depends on performance of its subsidiaries and favourable market opportunities to liquidate investments.

Industry risk owing to high exposure to real estate segment

CVL has exposure to real estate projects in its own book and majority investments (through equity, debentures and ICDs) are in the real estate sector. This sector is directly linked to the general macroeconomic environment, interest rates, and the level of disposable income available to individuals. In case of real estate companies, liquidity highly depends on the property markets which do not have stable revenue generation and therefore there is risk of non-repayment of the ICDs.

Although, the company has a good track record of maintaining asset quality by lending only to entities known to the promoter group and with a history of past relationships, risk prevails as these companies are small, unrated and have limited sources of financing. High-interest rate environment could further discourage consumers from borrowing to finance real estate purchases, potentially depressing the real estate market.

Liquidity: Adequate

The company's liquidity profile stands adequate. As on March 31, 2024, the company's asset liability management (ALM) had positive cumulative mismatches in all time buckets. The company has debt obligation of ₹99.77 crore for the next one year against which the company has inflow from the ICDs book of ₹408.41 crore for next year as on March 31, 2024. The short-term nature of the ICDs provides comfort on the liquidity. The company also enjoys liquidity of ₹86 crore from bank balance and liquid investments to take care of further liquidity issues as on September 30, 2024.

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

Applicable criteria

[Definition of Default](#)

[Investment Holding Companies](#)

[Issuer Rating](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Financial Sector](#)

[Withdrawal Policy](#)

[Non-Banking Financial Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Investment company

CVL was incorporated in 1982 as "Sharyans Resources Limited". The company made an initial public offer (IPO) in 1983 on the Calcutta Stock Exchange. It shifted its registered office from Kolkata to Mumbai in 1996 and registered itself with the RBI as an NBFC in 2007, post which it was changed to 'Crest Ventures Limited' in 2014. CVL is registered with the RBI as non-deposit taking middle layer non-banking financial company (NBFC) and is classified as an 'Investment and Credit Company'. CVL is listed on the BSE and NSE, with 31% public holding and 69% stake held by the promoter and promoter group companies. The company is a holding-cum-operating company under three verticals (i) Real Estate, (ii) Financial Services and (iii) Investments and Credit and is involved in real estate development and investment.

Brief Financials -on standalone basis- (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total income	815.91	139.91	127.68
PAT	594.81	49.66	73.94
Interest coverage (times)	72.33	3.95	6.77
Total Assets	1,047.32	1,184.08	NA
Net NPA (%)	NIL	NIL	NIL
ROTA (%)	74.89	4.45	NA

A: Audited UA: Unaudited; Note: these are latest available financial results NA: Not available

***Total assets are adjusted for intangibles and deferred tax assets**

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	INE559D08024	20-Jun-2024	12	20-Dec-2025	100.00	CARE BBB; Stable
Debentures-non-convertible debentures	INE559D08016	17-Mar-2024	12	17-Jun-2024	0.00	Withdrawn
Issuer Rating-Issuer Ratings	-	-	-	-	0.00	CARE BBB; 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	Issuer Rating-Issuer Ratings	LT	0.00	CARE BBB; Stable	1)CARE BBB; Stable (07-Jun-24)	1)CARE BBB; Stable (20-Feb-24)	1)CARE BBB; Stable (21-Feb-23) 2)CARE BB+; Stable (26-Dec-22)	1)CARE BB+ (Is); Stable (22-Nov-21) 2)CARE BBB- (Is); Negative (08-Apr-21)
2	Debentures-non-convertible debentures	LT	-	-	1)CARE BBB; Stable (07-Jun-24)	1)CARE BBB; Stable (20-Feb-24)	1)CARE BBB; Stable (21-Feb-23)	-
3	Debentures-non-convertible debentures	LT	100.00	CARE BBB; Stable	1)CARE BBB; Stable (07-Jun-24)	-	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of the 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 detailsTo view 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:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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