

Press Release

Sumangalam Developers

September 02, 2020

Rating Update



Total Bank Facilities Rated*	Rs.20.00 Cr.#
Long Term Rating	ACUITE B+ Downgraded & Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE B+** (read as **ACUITE B plus**)' from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs.20.00 crore bank facilities of Sumangalam Developers (SD). This rating is now an indicative rating and is downgraded on account of information risk.

Rajasthan-based, Sumangalam Developers is a partnership firm established on 8th July, 2015. It is part of the Sumangalam Group which was established in 2001. The group is engaged in the real estate business and has developed several residential and commercial projects. Led by Mr. Ishwar Lal Saini, it has recently completed the construction of a multi-storied residential project 'Shubh Atlantis' at Kota, Rajasthan.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Real Estate Entities - <https://www.acuite.in/view-rating-criteria-63.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity- Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Not Applicable

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
24-June-2019	Term Loan	Long term	16.20	ACUITE BB-/Stable (Downgraded from ACUITE BB+/Stable)
	Proposed bank facilities	Long term	3.80	ACUITE BB-/Stable (Assigned)
28-Mar-2018	Term Loan	Long term	20.00	ACUITE BB+/Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	16.20	ACUITE B+ Downgraded & Issuer not co-operating*
Proposed bank facilities	Not Applicable	Not Applicable	Not Applicable	3.80	ACUITE B+ Downgraded & Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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