

Press Release

Sara Builders and Developers

April 25, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	120.00	ACUITE B+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	120.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has downgraded the long-term rating from '**ACUITE BB-**' (read as ACUITE double B minus) to '**ACUITE B+**' (read as ACUITE B minus) on the Rs.120.00 crore bank facilities of Sara Builders and Developers. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Established as a partnership firm in 1997 by Mr. Sitaram Agarwal, Sara Builders and Developers is engaged in the construction and development of residential real estate projects. The firm is based in Aurangabad. At present, it is constructing and developing around 3 projects, of which two are located in Pune and one in Aurangabad. The group has delivered a staggering 7000+ homes in Aurangabad and 1500+ homes in Pune. The Group has already developed roughly 50 lac sq.ft area.

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.

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

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

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 requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

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>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Jan 2021	Term Loan	Long Term	40.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	50.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	10.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	20.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
11 Jun 2019	Term Loan	Long Term	40.00	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	10.00	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	20.00	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	50.00	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	40.00	ACUITE B+ Downgraded Issuer not co-operating*
India Info Line Finance Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	20.00	ACUITE B+ Downgraded Issuer not co-operating*
ECL Finance Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	50.00	ACUITE B+ Downgraded Issuer not co-operating*
Home First Finance Firm India Private Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	10.00	ACUITE B+ Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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