



Press Release
Sara Builders and Developers
July 19, 2023

Rating Reaffirmed and Issuer not co-operating

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

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs.120.00 crore bank facilities of Sara Builders and Developers (SBD). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

Established as a partnership firm in 1997 by Mr. Sitaram Agarwal, Sara Builders and Developers(SBD) 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:

Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with 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 Acuite'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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivity

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not Applicable.

Other Factors affecting Rating
Not Applicable.

Key Financials

Particulars	Unit	FY 19 (Actual)	FY 18 (Actual)
Operating Income	Rs. Cr.	59.29	50.58
PAT	Rs. Cr.	4.90	3.81
PAT Margin	(%)	8.26	7.54
Total Debt/Tangible Net Worth	Times	2.98	3.33
PBDIT/Interest	Times	1.20	1.22

Status of non-cooperation with previous CRA

None.

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Apr 2022	Term Loan	Long Term	40.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	10.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	50.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	20.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
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*)

Annexure - Details of instruments rated

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

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuited.in Suman Paul Analyst-Rating Operations Tel: 022-49294065 suman.paul@acuited.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuited.in

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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