



Press Release
Sara Builders and Developers
October 16, 2024
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Total Withdrawn Quantum (Rs.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	-	-
* The issuer did not co-operate; based on best available information.			

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE B**’ (read as **ACUITE Bf**) from ‘**ACUITE B+**’ (read as **ACUITE B plus**) on the Rs.120.00 crore bank facilities of Sara Builders and Developers (SBD) on account of information risk. The rating continues to be flagged as “Issuer Not-Cooperating” and is based on the 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.

Unsupported Rating

Not Applicable

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.

Acuité 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 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.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

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

Not Applicable

Any other information

None

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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
19 Jul 2023	Term Loan	Long Term	40.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	20.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	50.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	10.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
25 Apr 2022	Term Loan	Long Term	40.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	20.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	50.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	10.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
21 Jan 2021	Term Loan	Long Term	40.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	20.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	50.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	10.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)

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

Annexure - Details of instruments rated

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

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Contacts

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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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