

## Press Release

### Riddhi Siddhi Construction

August 08, 2022



#### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	95.00	ACUITE B-   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	95.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

## Rating Rationale

Acuite has downgraded its long term rating of '**ACUITE B-**' (read as **ACUITE B Minus**) from '**ACUITE B**' (read as **ACUITE B**) on the Rs.95.00 crore bank facilities of Riddhi Siddhi Constructions. This rating is now an indicative rating and is based on best available information.

### Rationale for Rating

The rating is downgraded as the firm has not submitted the No Default Statement (NDS) for last **08 consecutive months** and the rating is now an indicative rating and based on best available information.

### About the Company

Riddhi Siddhi Construction (RSC) is a partnership firm based in Mumbai and established in the year 2004. RSC is part of the Ashapura & Options group (A&O). The firm was established as a special purpose vehicle (SPV) for undertaking slum rehabilitation. It is currently developing a slum rehabilitation scheme in Malad (F Residencies). The firm has also tied up with F TV for branding of its projects. The project consists of 2 sale buildings, 3 rehab residential buildings, 1 school rehab building and 1 commercial rehab building.

### About the Group

The group is promoted by Chetan Bhanushali and Mr. Praveen Girish Chamaria, who have over two decades of experience in real estate development. The group came into existence in 2008-09 as Ashapura Developers and Options Developers came together with the purpose of providing affordable housing to masses vide undertaking different SRA & Re-development projects. Hereinafter referred to as A&O group.

A&O group has completed 31 commercial and residential projects together as well on a standalone basis with ~55 lakh square feet area sold.

Detailed list given in the table below:

Ashapura Developers, with over a decade of real estate history, is a leading expert in SRA projects. In the past, Ashapura Developers has created spaces spanning 8.88 lakh square

feet of area.

Options Developers, one of Mumbai's leading fashion retail brands since 1985, has lived on the premium side of the lifestyle spectrum. They made their foray into real estate in 2005. Since then, Options Developers has succeeded in creating stylish landmarks over 38 lakh square feet of area.

### Non-cooperation by the issuer/borrower

Acuité has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding **08 consecutive months**. Acuité believes that information risk is a critical component in such ratings, and noncooperation 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 Sensitivities

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.

### Key Financials

Particulars	Unit	FY 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	82.59	100.54
PAT	Rs. Cr.	1.49	1.93
PAT Margin	(%)	1.80	1.92
Total Debt/Tangible Net Worth	Times	0.92	1.27
PBDIT/Interest	Times	0.00	0.00

### Key Financials:

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

### 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

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- 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
25 Aug 2021	Term Loan	Long Term	50.00	ACUITE B   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	45.00	ACUITE B   Stable (Reaffirmed)
28 May 2020	Proposed Term Loan	Long Term	45.00	ACUITE B   Stable (Assigned)
	Term Loan	Long Term	50.00	ACUITE B   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE B-   Downgraded   Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	31-12-2020	11.50	31-03-2023	50.00	ACUITE B-   Downgraded   Issuer not co-operating*

## 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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