



Press Release
SONAM SPARK INFRA LIMITED (ERSTWHILE SONAM SPARK INFRA PRIVATE LIM
December 22, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	207.00	ACUITE BBB Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	207.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE BBB**' (read as **ACUITE Triple B**) from '**ACUITE BBB-**' (read as **ACUITE Triple B Minus**) to the Rs. 207.00 crore bank facilities of Sonam Spark Infra Limited (Erstwhile Sonam Spark Infra Private Limited) (SSIL). The outlook is '**Stable**'.

Rational for rating upgrade

The rating upgrade reflects healthy progress in SSIL's ongoing projects, with 'Project Indraneel' nearing completion and showing strong booking levels, while 'Project Opulence' has commenced official bookings alongside full-swing construction. The upgrade also factors in SSIL's comfortable liquidity position, supported by significant promoter contribution and an adequate cushion between cash inflows and repayments. However, the rating remains constrained due to high project execution and offtake risk in Project Opulence, along with exposure to real estate cyclicity, regulatory risks, and high geographical concentration risk.

About the Company

Sonam Spark Infra Limited (SSIL) (formerly known as Sonam Sparks Infra Private Limited) is an unlisted public limited company incorporated on 8th September 2023. It is primarily engaged in the business of construction and redevelopment of residential buildings and premises. The business was originally started as a proprietorship concern in 1991. So far, the company has completed 27 real estate projects in the Mira-Bhayandar area, Thane, with a total construction area of over 40 lakh sq. ft. The Directors of the company are Mr. Bharat Mithalal Jain, Mr. Mithalal Ratanchand Jain, and Mrs. Sneha Saklecha. The registered office is located in Bhayandar, Thane Maharashtra. At present, the company is constructing two major projects, namely Project Opulence and Project Indraneel.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone financial and business risk profile of Sonam Spark Infra Limited to arrive at the rating.

Strengths

Experienced management and established track record of operations

Sonam Spark Infra Limited (SSIL), incorporated in 1997 by Mr. Mithalal Jain and Mr. Bharat Jain, brings decades of expertise to the real estate sector. Mr. Mithalal Jain, with over 20 years of experience, began his journey in 1991 as a sole proprietor, while Mr. Bharat Jain has successfully delivered multiple projects over the past two decades. SSIL has completed around 27 real estate projects in the Bhayandar region, with a cumulative constructed area exceeding 45 lakh sq. ft. Notable recent developments include Project Indraprasth, completed in 2019, and Project Indraneel, which is nearing completion. Acuite believes that the promoters' extensive experience and SSIL's strong execution track record will continue to support the company's ability to deliver large-scale premium projects successfully.

Moderate project execution and offtake risk in Project Indraneel

The total cost of the 'Project Indraneel' is Rs. 215.51 crore (revised from Rs. 189.12 crore), funded through promoters' contribution of Rs. 8.92 crore, customer advances of Rs. 116.59 crore, and term debt of Rs. 90.00 crore. The cost overrun was due to an increase in construction costs as well as marketing and administrative expenses incurred during the same period. The project is at an advanced stage of completion, with approximately Rs. 212.01 crore i.e., 98 per cent of the cost incurred as of November 2025. Furthermore, around 87 per cent of the area is sold, with Rs. 151.54 crore received as customer advances. The scheduled completion date is March 2027; however, the project is expected to be completed earlier, by April 2026. Thus, the company remains exposed to moderate project execution and offtake risk in Project Indraneel.

Comfortable cash flow position with low reliance on external debt

The company's projects are generally funded through approximately 60 per cent promoter contribution and customer advances, and around 40 per cent through bank debt. The company has a stable customer base, which facilitates timely customer advances and further reduces debt drawdowns. This trend is evident in past completed projects as well as in the ongoing 'Project Indraneel'. The average debt service coverage ratio (DSCR) is projected at around 1.83 times for Project Indraneel and 4.02 times for Project Opulence over the tenure of the debt.

Weaknesses

Moderately high Project Execution and Offtake Risk in Project Opulence

The project execution and offtake risk remains moderate in Project Opulence, as it is in the nascent stage of completion, with around 55 per cent of the total cost incurred as of November 2025. The booking levels for the project remain moderate, with 18 units sold out of a total of 112 units as on 30th November 2025. For Opulence, the company has received customer advances of Rs. 30.56 crore as on 30th November 2025. The company's ability to achieve its estimated booking levels and complete the project as per RERA timelines will be a key rating monitorable.

High Geographical Concentration Risk

The company also faces high geographical concentration risk, as all its projects are located in the Mira-Bhayandar area of Thane district. Consequently, any adverse developments in this region could negatively impact overall operations and project execution. However, the company is planning to undertake real estate projects in nearby areas to diversify its concentration risk.

Susceptibility to Real Estate Cyclical and Regulatory Risks

The Indian real estate industry is highly fragmented, with most developers having a city-specific or region-specific presence. Risks associated with the sector are cyclical in nature, such as fluctuations in property prices and interest rate movements, which can impact operations. Sonam Spark Infra Limited faces exposure to volatile prices due to frequent

demand-supply mismatches in the industry. The sector is under significant stress owing to large unsold inventory and elevated borrowing costs, primarily driven by high residential property prices and persistent rollover of bank debt, which increases overall finance costs. Given the high financial leverage, elevated borrowing costs limit developers' ability to substantially reduce prices to boost sales. Furthermore, the industry is subject to regulatory risks, which could adversely affect players like SSIL and constrain operating flexibility.

Rating Sensitivities

- Timely completion of ongoing projects without any cost or time overruns
- Generation of timely and adequate cash flows from both sold and unsold inventory

Liquidity Position Adequate

The company's liquidity profile is expected to remain adequate, supported by a comfortable cushion between repayments and cash inflows. Additionally, the promoters have infused funds for ongoing projects. The average DSCR is projected at around 1.83 times for Project Indraneel and 4.02 times for Project Opulence over the tenure of the debt. For Project Indraneel, the company has sold 90 per cent of its total saleable area and incurred around 98 per cent of the total cost. Of the overall funding, it has collected Rs. 128.67 crore, representing about 55 per cent as advances from customers as of November 2025. In the case of Project Opulence, the company has sold 12 per cent of its total saleable area and incurred Rs. 142.75 crore, with total customer advances received to the tune of Rs. 30.56 crore as of November 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	82.53	54.08
PAT	Rs. Cr.	11.30	7.63
PAT Margin	(%)	13.69	14.11
Total Debt/Tangible Net Worth	Times	1.72	7.13
PBDIT/Interest	Times	4.83	14.69

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

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, Acuité 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
23 Sep 2024	Term Loan	Long Term	105.00	ACUITE BBB- Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	90.00	ACUITE BBB- Stable (Upgraded from ACUITE C)
	Proposed Long Term Bank Facility	Long Term	7.00	ACUITE BBB- Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	5.00	ACUITE BBB- Stable (Upgraded from ACUITE D)
30 May 2024	Term Loan	Long Term	105.00	ACUITE C (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	90.00	ACUITE C (Downgraded from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	7.00	ACUITE C (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	5.00	ACUITE D (Downgraded from ACUITE BBB- Stable)
08 May 2023	Proposed Long Term Bank Facility	Long Term	102.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	90.00	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	15.00	ACUITE BBB- Stable (Assigned)
07 Mar 2022	Term Loan	Long Term	21.78	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	22.22	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	58.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	56.42	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Aditya Birla Finance Limited	Not avl. / Not appl.	Term Loan	28 Feb 2023	Not avl. / Not appl.	15 Apr 2038	4.73	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Aditya Birla Finance Limited	Not avl. / Not appl.	Term Loan	05 Jun 2024	Not avl. / Not appl.	15 Jul 2031	39.90	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
State Bank of India	Not avl. / Not appl.	Term Loan	02 Jun 2023	Not avl. / Not appl.	30 Sep 2028	50.86	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
CENTRAL BANK OF INDIA	Not avl. / Not appl.	Term Loan	21 Apr 2022	Not avl. / Not appl.	31 Mar 2027	55.09	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)

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