

Swagat Builders

June 10, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	73.50	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	1.47	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. (CARE Ratings) has been seeking information from Swagat Builders (SB) to monitor the ratings vide e-mail communications dated June 02, 2025, May 23, 2025, April 29, 2025, and April 10, 2025, amongst others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. The ratings on SB's bank facilities will now be denoted as **CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Ratings assigned to the bank facilities of SB have been revised on account of non-availability of the requisite information to conduct the review. Rating remained constrained on account of implementation and saleability risk associated with the on-going residential project considering its modest booking status and committed receivables when compared with pending construction cost and outstanding project debt. The rating also takes cognizance of firm's exposure to inherent risks associated with the real estate sector and its constitution as a partnership firm.

Rating, however, derives comfort from established track record of the promoters for more than two decades in Surat real estate market, achievement of financial closure, moderate collection from sold units, favourable location of the project and availability of requisite permission/ approvals. Rating also takes cognizance of elongated moratorium period and the stipulation for creation of Debt Service Reserve Account (DSRA) equivalent to three months' debt servicing obligation before commencement of debt repayment.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CARE Ratings') expectation that, SB shall be able to sustain its credit risk profile in medium term supported by established promoters experience in the Surat, Gujarat real estate market and favourable location of the project.

Detailed description of key rating drivers:

At the time of last rating on April 23, 2024, following were the key rating strengths and weaknesses considered.

Key weaknesses

Implementation risk associated with the on-going project

In September 2023, the firm has launched a residential project under affordable housing scheme in the of name "Swagat Callista" and is scheduled to be completed by December 31, 2029 (as per RERA). The project is being constructed on a land admeasuring 21,499 square meter (sq. mtr.) at total estimated cost of around Rs.180 crore, envisaged to be funded through partner's capital/ unsecured loans (USL), project term loan and customer advances in the ratio of 30:41:29.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Till April 14, 2024, the firm had incurred Rs.54.09 crore i.e. 30% of total estimated project cost, out of which, civil construction cost was around Rs.31.46 crore (i.e. 25% of total civil construction cost), funded by partner's capital/ USL of Rs.28 crore, term loans of Rs.16.49 crore and balance through customer advances/ project creditors. Timely completion within envisaged cost and time parameters shall remain a key rating monitorable.

Saleability risk associated with the on-going projects

The residential project is being developed under affordable housing scheme with configuration of 2BHK and 3BHK with total saleable area of 9.02 lakh square feet (lsf). Till March 31, 2024, the firm has received bookings for 94 units (comprises 15.56% of saleable area) at a sale value of Rs.31.58 crore, out of which Rs.4.54 crore has been received till April 14, 2024.

Moreover, committed receivable from sold units (Rs.27.04 crore) stood at 24% against pending construction cost and total outstanding debt as on April 14, 2024. Considering implementation stage, timely receipt of pending advances from sold units, sale of remaining units at envisaged prices and realisation of sale proceeds shall remain crucial from the credit perspective.

Constitution of the entity as a partnership firm

The credit risk profile of Swagat builders remained constrained by its partnership constitution wherein there is an inherent risk of withdrawal of the capital which may affect firm's financial flexibility in the eventuality of occurrence of such event.

Presence in cyclical real estate sector and interest rate fluctuation risk

The real estate sector in India is highly fragmented with many regional players, who have significant presence in their respective local markets which in turn leads to intense competition within the industry. This sector is also sensitive to the macroeconomic cycle and interest rates. Adverse movement in interest rate affects the real estate players in both ways – by hampering demand as well as increasing the construction cost.

Key strengths**Experienced partners with established track record of operations in Surat Real Estate Market**

Swagat Builders is a part of Surat, Gujarat based Swagat group engaged in construction of commercial and residential real estate properties in and around Surat city for more than two decades.

The Swagat group has developed various residential and commercial projects admeasuring total saleable area of more than 26 lakh square feet (lsf) in and around Surat. Also, the group is executing more than 15 lsf of commercial and residential projects (incl. Swagat Callista) in Surat under multiple group entities.

The firm is benefited from distinct expertise of all the partners in real estate industry for more than 15-20 years. Mr. Pravin Asodaria and Mr. Upeshbhai Korat looks after overall management of the firm's operations and other partners looks after finance, marketing etc.

Achievement of financial closure

The firm has achieved financial closure for the entire debt of Rs.73.50 crore (41% of total project cost), out of which Rs.16.49 crore has been availed till April 14, 2024.

Favourable location of the project with availability of modern amenities and requisite approvals

The project plan is equipped with ample modern amenities and located at Bamroli, Surat, in proximity to Hospital, Schools, Shopping Mall, Temple, Multiplex, Airport, Railway Station etc. The project has received all requisite approvals i.e. height clearance from Airport Authority of India (AAI), environment clearance, NOC from fire department regarding design and drawings of project, building plan approvals and approvals clearances from RERA.

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Real estate sector](#)

[Short Term Instruments](#)

About the firm and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Swagat Builders was established as a partnership firm in April 2015, by the promoters of Swagat Group, Surat, Gujarat to undertake real estate operations. Presently, the firm is executing a project for development of residential units under the name 'Swagat Callista' on a land admeasuring 21,499 sq. mtr located at Bamroli, Surat, Gujarat (PR/GJ/SURAT CITY/ SUDA/ RAA12572/ 011123).

Brief Financials: Not meaningful being project phase entity.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	September, 2029	73.50	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based-LT/ST	-	-	-	-	1.47	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	73.50	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (23-Apr-24)	-	-
2	Non-fund-based-LT/ST	LT/ST	1.47	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (23-Apr-24)	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities - Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in Jignesh Trivedi Assistant Director CARE Ratings Limited Phone: 079-40265631 E-mail: jignesh.trivedi@careedge.in Bhaumik Shah Analyst CARE Ratings Limited E-mail: Bhaumik.shah@careedge.in
---	--

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CARE and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rationale Report and subscription information,
please visit www.careratings.com**