

Seya Pate Constructions LLP

January 22, 2021

Rating

Facilities	Amount(Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	7.50	CARE B-; ISSUER NOT COOPERATING* (Single B Minus ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Facilities	7.50 (Rs. Seven Crore and Fifty Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE had, vide its press release dated October 25, 2019, placed the rating of Seya Pate Constructions LLP (SPCL) under the 'issuer non-cooperating' category as SPCL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. SPCL continues to be non-cooperative despite repeated requests for submission of information through email letter dated June 24, 2020, November 24, 2020, January 12, 2020, January 15, 2021 and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

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

Detailed description of the key rating drivers

At the time of last rating on October 25, 2019 the following were the rating strengths and weaknesses:

Key Rating Weaknesses

Partial receipt of approvals and clearances for the project: SPCL has partially received the necessary clearances and approvals for the project related to land acquisition and construction. The requisite sanction plan of the building for the partial saleable area of the project has been approved by the Pune Collectorate.

Cyclical nature of the real estate industry: The entity is exposed to the cyclicity associated with the real estate sector which has direct linkage with the general macroeconomic scenario, interest rates and level of disposable income available with individuals

Presence in a competitive environment: The real estate industry in India is highly fragmented with most of the real estate developers having region-specific presence.

Key Rating Strengths

Experienced Partners: SPCL is promoted by Pate Group which is into real estate business since 1983 and is one of the well-known groups in the business.

Strategic location of the project with proximity to key locations in Pune: The project has a strategic location being situated in one of the rapidly developing localities of Pune at Sinhagad Road which is around 5-6 kilometers from the centre of Pune. In addition, the project is situated in area with easy access to basic civic amenities such as schools, hospitals, colleges, malls, situated close by and has close proximity to Swargate, Deccan, Warje, Khadakwasla, which provides easy access to Karvenagar, Chandani Chowk, Dhayri, Ambegaon, Pune.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[CARE's Methodology for Construction Companies](#)

[Financial ratios \(Non-Financial Sector\)](#)

About the Company

Established in the January 2015, SPC is a limited liability partnership and belongs to Pune based Pate Developers. The firm is engaged in developing a residential project namely Seya at Pune.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Financials: Not Applicable

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	March 2019	7.50	CARE B-; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	7.50	CARE B-; ISSUER NOT COOPERATING*	-	1)CARE B-; ISSUER NOT COOPERATING* (25-Oct-19)	1)CARE B-; ISSUER NOT COOPERATING* (16-Jul-18)	1)CARE B; ISSUER NOT COOPERATING* (17-Apr-17)

*Issuer did not cooperate; based on best available information

Annexure 3: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporate to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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