

Synergy SKI Infradevelopment: Assigned

Facilities	Amount (Rs Crore)	Ratings/Outlook
Cash Credit	5.50	SMERA BB+/Stable (Assigned)
Proposed – Cash Credit	2.00	SMERA BB+/Stable (Assigned)
Bank Guarantee	1.50	SMERA A4+ (Assigned)
Proposed - Bank Guarantee	1.50	SMERA A4+ (Assigned)

SMERA has assigned long term rating of **‘SMERA BB+’ (read as SMERA double B plus)** and short term rating of **‘SMERA A4+’ (read as SMERA A four plus)** to the above mentioned Rs.10.50 crore bank facilities of Synergy SKI Infradevelopment (SSI). The outlook is **‘Stable’**.

The ratings derive comfort from the experienced and qualified management, reputed customer base and moderate order book position. The ratings are also supported by the healthy financial profile. However, the ratings are constrained by the geographic concentration risk and tender based nature of business.

SSI was set up as a partnership firm by Mr. Vishal Kadarkar and Mr. Sandeep Shitole in 2008. The partners possess extensive experience in the construction industry. SSI has a reputed clientele with work orders executed for the Public Works (East) Division, Satara, Swati Constructions, P.D Pawar & Co., (Water resource department) among others. The firm has Rs.137.78 crore worth orders in hand as on 1st April, 2016.

SSI's financial profile is marked by healthy gearing of 0.70 times as on March 31st, 2016 and interest coverage ratio of 5.33 times in FY2016. The DSCR stood at 4.19 times as on 31 March, 2016. The net worth of the firm is moderate at Rs.10.04 crore.

SSI has executed several projects (at Pune, Satara, Kolhapur, Ahmednagar, Solapur) but largely limited to Maharashtra resulting in geographic concentration risk. Besides, revenues of the firm depend on the successful bids placed and tenders won.

Rating Sensitivity Factors

- Timely completion of projects
- Efficient working capital management
- Maintaining profitability

Outlook-Stable

SMERA believes that SSI will maintain a stable outlook over the medium term owing to the healthy business prospects and order book position. The outlook may be revised to ‘Positive’ if the firm generates larger than expected cash flows with successful sourcing and execution of large projects. Conversely, the outlook may be revised to ‘Negative’ in case of delays in project execution affecting profitability.

About the Firm

Established in 2008 by Mr. Vishal Kadarkar and Mr. Sandeep Shitole, who possess extensive experience in the construction industry, SSI is a partnership firm engaged in civil construction and infrastructure development.

For FY2015-16, the firm registered profit after tax (PAT) of Rs.1.91 crore (Provisional) on operating income of Rs.40.78 crore as against PAT of Rs.2.05 crore on operating income of Rs.30.93 crore in FY2014-15.

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ABOUT SMERA

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