

Press Release

31 March, 2017

Silver Group

Rating Assigned

Total Bank Facilities Rated *	Rs.5.00 Cr
Long Term Rating	SMERA D

Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA D** (read as **SMERA D**) on the Rs. 5.00 crore bank facilities of Silver Group.

The Silver Group (SG) is a partnership firm established by Mr. Kiran Sawant, Mr. Ganesh Jadhav and Mr. Shivaji Barne. The firm has already executed six projects in the Pimpri Chinchwad Municipal Corporation (PCMC) area - Silver 9, Silver Satyam, Silver Karishma, Silver 18, Silver Royal and Silver Akshay.

Key Rating Drivers

Strengths

- **Experienced management**

The promoters, Mr. Ganesh Jadhav, Ms. Kiran Sawant and Mr. Shivaji Barne have more than two decades of experience in the real estate industry.

Weaknesses

- **Delays in debt servicing**

The firm has experienced delays in repayment of interest on its term loan due to stretched liquidity as a result of limited customer advances.

- **Project execution risk**

The project, Silver City, is under construction with almost 50 per cent of the project cost of Rs. 28.50 crore having been incurred. The project has significant cost and time over run affecting the cash flows of the firm.

Analytical Approach

SMERA has taken a standalone view of the rated entity.

About the Project

The firm is developing a residential project, 'Silver City' at Chikhali, Pune in an area admeasuring 97,624 sq. ft. to construct 123 apartments (1BHKs and 2BHKs).

About the Rated Entity - Key Financials

For FY2015-16, SG reported profit after tax (PAT) of Rs. 0.48 cr on operating income of Rs.9.19 cr as compared with PAT of Rs.0.13 cr on operating income of Rs.4.01 cr for FY2014-15. The net worth as on 31 March, 2016 stood at Rs.3.26 cr as compared to Rs.3.34 cr as on 31 March, 2015.

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smerra.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.smerra.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smerra.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	31-Dec-2017	5.00	SMERA D

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ABOUT SMERA

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