

Press Release

Satish Baswant Patil

April 19, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs. 5.00 Cr.
Long Term Rating	SMERA B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA B**' (read as **SMERA B**) on the Rs. 5.00 crore bank facilities of Satish Baswant Patil. The outlook is '**Stable**'.

Satish Baswant Patil (SBP) established in 2001 is a Pune-based proprietorship firm promoted by Mr. Satish Baswant Patil. The firm is engaged in real estate development.

Key Rating Drivers

Strengths

- **Experienced management**

SBP, established in 2001 was promoted by Mr. Satish Baswant Patil. The promoter has more than two decades of experience in the real estate sector and is also supported by an experienced second level management.

- **Long track record of operations**

SBP has completed over 11 projects since inception. These include residential complexes - Ganesh Heritage, Siddhi Towers, Kate Heights, Omakar Residence among others at Pune Dapodi. 'Ganesh Royale' is the ongoing project and construction for the same began in June 2014. The total saleable area is 30,890 square feet out of which firm has received booking for 12,910 square feet. It is expected to be completed by May 2017.

- **Locational advantage**

The firm benefits from the locational advantage of Dapodi which is located near the Mumbai-Pune Highway.

Weaknesses

- **Intense competition**

SBP's projects are located near Dapodi along the Mumbai-Pune Highway. The firm faces intense competition from reputed builders in the area.

- **Geographic concentration risk**

The firm is exposed to geographic concentration risk considering that all projects are located at Dapodi, Pune.

- **Industry slowdown**

The real estate industry in India is witnessing a slowdown with piling up of inventory. Further, cyclicity in the industry and intense competition are other factors.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of SBP.

Outlook: Stable

SMERA believes that SBP will maintain a stable outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' in case of higher than expected customer advances. Conversely, the outlook may be revised to 'Negative' in case of inordinate project delays or lower than expected customer advances.

About the Rated Entity - Key Financials

For FY2015-16, the firm reported net profit of Rs.1.99 cr on operating income of Rs.12.55 cr, compared to net profit of Rs.1.93 cr on operating income of Rs.12.94 cr in FY2014-15. The net worth stood at Rs.13.88 cr as on March 31, 2016 as against Rs.11.60 cr a year earlier.

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

None

Any other information

None

Applicable Criteria

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

Note on complexity levels of the rated instrument

<https://www.smera.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-Jan-2018	5.00	SMERA B / Stable

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