



## Press Release

### **Skyway RMC Plants Private Limited (SRPPL)**

**February 28, 2025**

#### **Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><a href="#">Complexity Indicator</a></b>
Long Term Bank Facilities	107.50	IVR BBB/ Stable (IVR Triple B with Stable outlook)	-	Rating Assigned	Simple
Short Term Bank Facilities	27.50	IVR A3+ (IVR Single A Three Plus)	-	Rating Assigned	Simple
<b>Total</b>	<b>135.00</b>	<b>(Rupees One Hundred Thirty-Five crores only)</b>			

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### **Detailed Rationale**

Infomerics Ratings has assigned its rating to the bank facilities of SRPPL as it derives comfort from the improved operating profile, healthy order book position, comfortable capital structure and debt protection metrics and extensive experience of promoters and established track record in the industry. The ratings are partially offset due to geographical concentration risk, elongated working capital cycle and tender based nature of operations

The outlook is assigned 'Stable' as IVR expects the sustainability of strong operating performance leading to maintenance of strong credit profile during FY25-27.

#### **Key Rating Sensitivities:**

##### **Upward Factors**

- Sustained and substantial improvement in operating performance leading to improvement in debt protection metrics.

##### **Downward Factors**

- Decline in scale of operations leading to decline in profits and profit margins
- Further elongation in working capital cycle.



## Press Release

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### Improved operating profile:

SRPPL's revenue improved at ~14% on y-o-y basis to Rs. 633.18 crore in FY24 (period refers from April 01, 2023, to March 31, 2024) as against Rs.557.33 crore in FY23 on account of timely execution of orders. While EBITDA margins remained stable at 8.11% in FY24 (FY23: 8.15%) due to higher proportion of high-grade products in the overall revenue, the PAT margin also remained stable and stood at 1.88% in FY24 against 1.86% in FY23.

During 9MFY25, SRPPL has reported revenue of Rs.494.00 crore and EBITDA margins further improved to 8.32%. Ability to sustain these EBITDA margins at the current levels while maintaining steady growth in revenue would be a key monitorable.

##### Healthy order Book Position:

SRPPL has a healthy unexecuted order book to the tune of Rs. 292.00 crores which includes orders from renowned infrastructure companies including Larsen & Toubro, Macrotech, Lodha group, Wadhwa group etc. Timely execution of these orders would remain a key monitorable.

##### Comfortable capital structure and debt protection metrics:

The capital structure as indicated by overall gearing improved to 0.88x in FY24 as against 1.01x as on FY23 due to increase in net worth. The total indebtedness represented by TOL/ATNW improved and stood at 1.20x as on March 31, 2024, against 1.33x as on March 31, 2023, due to decrease in outside liabilities along with increased net worth. SRPPL has reported a net worth of Rs.182.89 crore as on March 31, 2024, as against Rs.171.01 crore as on March 31, 2023, with increase in operating profits. The debt coverage indicators as indicated by interest coverage ratio and total debt to gross cash accruals ratio remained stable and stood at 2.35x and 6.32 respectively in FY24 {FY23: 2.26x and 7.30x respectively} due to marginal increase in interest cost backed by increase in EBITDA. IVR expects the capital structure and debt protection metrics to remain strong during FY25- FY27.



## Press Release

### **Extensive experience of promoters and established track record in the industry:**

SRPPL is promoted by Mr. Kelvin Singh Kohli and Mr. Rashmeet Singh Kohli who have an established track record of 2 decades in the industry. The promoters are supported by experienced management team. There are other members in the team who are highly qualified & experienced, adding credence & professionalism in the governance of the company. The company supplies RMC to top builders and infrastructure companies such as Wadhwa Group, Lodha group, Capacite Infra projects etc.

### **Key Rating Weaknesses**

#### **Geographical Concentration Risk:**

SRPPL operates its business entirely from Mumbai and nearby regions. All the projects of the company are in Mumbai and Thane region which exposes it to geographical concentration risk. Any adverse movement in the state can have an impact the overall operations of the company.

#### **Elongated working capital cycle:**

SRPPL's working capital cycle improved though remained high with operating cycle of around 102 days FY24 as against 115 days in FY23. The debtor days stood at 90 days in FY24 against 97 days in FY23. SRPPL maintained an average inventory of around 39 days in FY24. Creditor days were 27days in FY24. Timely recovery of receivables and efficient utilization of working capital facilities will be a key rating monitorable.

#### **Tender based nature of operations:**

The company's operations are tender based. It mainly deals with private entities and bids for contracts. The tender based business model may restrict pricing power and profitability. However, the risk is mitigated due to the long track record of operations and experienced management.

### **Analytical Approach: Standalone**



## Press Release

### **Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and post default curing period](#)

[Complexity Level of Rated Instruments/Facilities](#)

### **Liquidity – Adequate**

The liquidity position of the company remains adequate as cash accruals are expected to remain sufficient to meet the repayment obligations through FY25-FY27. Further, the company had gross cash accruals of Rs.25.48 Crore in FY24. Cash and Cash equivalent amounted to Rs.7.90 Crore as on 31st March 2024. The average fund-based utilisation stood at ~90% for 12 months ended January 2025. The current ratio stood at 1.43x as on 31st March 2024.

### **About the Company**

Skyway Group, with its 40 years' experience into the supply of aggregates and 20 years in RMC manufacturing, has emerged as one of the leading manufacturers and suppliers of Ready-Mix Concrete to renowned builders and contractors in Mumbai Metropolitan Region. SRPPL has an installed capacity of 3 million cu. Mt. of concrete per annum of various grades from 17 batching plants in Mumbai Metropolitan Region. It produces a full range of concrete like Ordinary Concrete - M10 to M 20, Standard Concrete - M 25 to M 55, High Performance Concrete - M 60 to M 80, High Volume Fly ash Concrete, Corrosion Resistant Concrete, Polymer concrete, Self Compacting Concrete, Colored concrete, Fiber - Reinforced Concrete, Pervious Concrete, Water Proof Concrete, Temperature controlled concrete.



## Press Release

### Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	557.33	633.18
EBITDA	45.43	51.34
PAT	10.38	11.88
Total Debt	173.25	161.15
Tangible Net Worth	171.01	182.89
EBITDA Margin (%)	8.15	8.11
PAT Margin (%)	1.86	1.88
Overall Gearing Ratio (x)	1.01	0.88
Interest Coverage (x)	2.26	2.35

\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** None

### Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Cash Credit	Long Term	107.50	IVR BBB/ Stable	--	--	--
2.	Purchase Bill discounting	Short Term	5.00	IVR A3+	--	--	--
3.	Bank Guarantee/ Letter of Credit	Short Term	22.50	IVR A3+	--	--	--

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## Press Release

### About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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## Press Release

### Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	--	--	--	--	107.50	IVR BBB/ Stable
Purchase Bills Discounting	--	--	--	--	5.00	IVR A3+
BG/ LCs	--	--	--	--	22.50	IVR A3+

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-skyway-feb25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).