

June 4, 2010

**CARE ASSIGNS 'CARE BB+' AND 'PR 4' RATING TO BANK FACILITIES OF SYNERGENE ACTIVE INGREDIENTS P LTD.**

CARE has assigned a '**CARE BB+**' [**Double B plus**] rating to the long-term bank facilities of Synergene Active Ingredients Pvt. Ltd. (SAIPL). This rating is applicable for facilities having tenure of more than one year. Facilities with this rating are considered to offer inadequate safety for timely servicing of debt obligations. Such facilities carry high credit risk. Also, CARE has assigned a '**PR 4**' [**PR four**] rating to the short-term bank facilities of the company. This rating is applicable for facilities having tenure up to one year. Facilities with this rating would have inadequate capacity for timely payment of short-term debt obligations and carry very high credit risk. Such facilities are susceptible to default. The above ratings are assigned to both long-term bank facilities and short-term bank facilities aggregating Rs.13.70 crore.

CARE assigns '+' or '-' signs to be shown after the assigned rating (wherever necessary) to indicate the relative position of the company within the band covered by the rating symbol.

Instrument	Amount (Rs. crore)	Rating
Long-term Bank Facilities	12.50	'CARE BB+'
Short-term Bank Facilities	1.20	'PR 4'
<b>Total</b>	<b>13.70</b>	

**Rating Rationale**

The ratings factor in limited track record of the company, small scale of operations, low networth, limited number of (Active Pharmaceutical Ingredients) API products in its portfolio, high sales concentration with regard to products and customers, forex risk on account of exports, moderate gearing, volatility in the raw material prices and project implementation risk. The rating is however underpinned by long track record of the promoters in the Pharma Industry, API manufacturing facilities with WHO-GMP certifications, reputed customer base, support from the group company, comfortable profit margins and achievement of financial closure for its new project. The ability of the company to maintain the profit margins, implement the project on time without any cost overrun and continuous addition of the new products are the key rating sensitivities.

**Company Profile**

SAIPL was established in May 2005 and promoted by Mr. N Surya Prakash Rao and Dr. N V Rao. SAIPL is in the business of manufacturing API and its intermediates. The company started its operations in Feb 2007. SAIPL's income from the operations has increased by 89% to Rs.16 crore during FY09 driven increase in the production and sales of intermediates. PBIDT in FY09 at Rs.1.83 cr, up by 195% over FY08 while PAT was at Rs. 0.65 cr against a marginal loss in FY08.

**Analyst Contact**

Name: Sajan Goyal

Tel # 040-40102030

Mobile # 9849174030

Email: sajan.goyal@careratings.com

**CARE classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.**

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

**HEAD OFFICE: MUMBAI**

**Mr. D.R. Dogra**

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

**Mr. Rajesh Mokashi**

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

**Mr. Ankur Sachdeva**

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,  
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

**Website: www.careratings.com**

**OFFICES**

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, <b>Ahmedabad - 380 015.</b> Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b>  Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>