



Rating Rationale

ABN Tower and Transmission Pvt Ltd

6 July 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 15.00 Crores of ABN Tower and Transmission Pvt Ltd.

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based	2.00	Long Term	BWR BB (BWR Double B) Outlook Stable.
Non Fund Based	13.00	Short Term	BWR A4+ (BWR A Four Plus)
Total	15.00	Rupees Fifteen Crores Only.	

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Ratings assigned:

Brickwork Ratings assigned the long term rating of 'BWR BB' with "Outlook: Stable" and short term rating of 'BWR A4+' to the bank loan facilities aggregating Rs. 15 Crores of ABN Tower and Transmission Pvt Ltd ('ABNTTPL', or 'the Company'),

Rationale / Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied up on the audited financials upto FY17, provisional financials for FY 18 and projections for FY19, publicly available information and information/clarifications provided by the Company's management.

The rating derives its strength from the key promoter's experience, good customer base, comfortable capital structure and debt protection metrics. However, the rating is constrained by intense competitive nature of the industry, adhering to regulatory challenges, customer concentration risk and tender based nature of business.

Going forward, the ability of the company to meet its projected turnover & profitability and to maintain sound debt coverage ratios would be the key rating sensitives.



Description of Key Rating Drivers

Credit Strengths:

- **Experience of Directors :** The directors of the company have a good experience in the line of business.
- **Customer Base:** Company is rendering its services to various Government, Semi Government Organisations like - Bihar State power Transmission Company limited, Patna; Damodar Valley Corporation, North Frontier Railway etc.
- **Favourable Ratios :** ISCR & DSCR are standing high at 10.77 and 6.42 respectively and Operating Profit Margin is at 30.58%

Credit Risks:

- **Competition from Big Players :** The industry is highly fragmented resulting in stiff competition and profitability is vulnerable to fluctuations in order composition.
- **Moderate Scale of Operations -** The turnover of the company remains moderate at Rs. 43.97 crs in FY17.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: *Stable*

BWR believes that the **ABN Tower and Transmission Pvt Ltd's** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company:

ABN Tower and Transmission Pvt Ltd, a closely held Private Ltd. Co. was originally promoted by Mr. Binod Kumar Agarwal and Mr. Nalin Vilochan. It was incorporated on 18/07/2005. The company currently has 4 directors - Mr. Binod Kumar Agarwal, MR. Nalin Vilochan, Mr. Saurabh Garg and Mrs. Bittu Kumari. The Registered office of the company is at 10A, Hospital Street, Vinayak Chambers, 2nd Floor, Kolkata. Company is an established organisation for construction of EHV Transmission lines upto 400 kv and Substations upto 220 kv on turnkey basis. Presently, the work in progress of the company under different projects is to the extent of Rs. 49.21 crs.

Company's Financial Performance:

As per the Audited financials of FY17, the Company has reported Total Operating Income of ₹ 43.97 Crores against ₹ 35.34 Crores in FY16. The operating profit margin has increased from 9.23% in FY16 to 30.58% in FY17. Tangible Net Worth of the company has increased from ₹ 6.40 crores in FY 16 to ₹ 14.44 crores in FY17 on account of ploughing back of profits. As per provisional financials, company has achieved a revenue of Rs. 40.00 Crores in FY18



Rating History for the last three years:

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2017	2016	2015
1.	Fund Based	Long Term	2.00	BWR BB	NA	NA	NA
2.	Non Fund Based	Short Term	13.00	BWR A4+	NA	NA	NA
	Total		15.00	₹ Fifteen Crores Only			

Status of non-cooperation with previous CRA (if applicable)-Reason and comments
Any other information

Key Financial Indicators

Key Parameters	Units	2017	2016
Result Type		Audited	Audited
Operating Revenue	₹ Cr	43.79	35.34
EBITDA	₹ Cr	13.45	3.26
PAT	₹ Cr	8.04	1.77
Tangible Net worth	₹ Cr	14.44	6.40
Total Debt/Tangible Net worth	Times	0.68	0.68
Current Ratio	Times	1.28	1.17

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website



Analytical Contacts	Media
<u><i>Venkateswar Raju</i></u>	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.