

## Rating Rationale

**Brickwork Ratings, on a review, upgrades to ‘BWR B+’ rating for Long-term Bank Loan Facilities and reaffirms ‘BWR A4’ for Short Term Bank Loan Facilities of M/s Abirami Engineering Construction & Co.**

Brickwork Ratings, on a review revises the following **Ratings**<sup>1</sup> for Bank Loan Facilities of M/s Abirami Engineering Construction & Co. (The Firm)

Facilities	Previous Limits in (₹ Cr)	Present Limits in (₹ Cr)	Tenure	Previous Rating	Review Rating
<b>Fund Based</b>					
Cash Credit	5.00	5.00	Long Term	<b>BWR B</b> (BWR Single B) <b>Outlook: Stable</b>	<b>BWR B+</b> (BWR Single B Plus) <b>Outlook: Stable</b> (Upgradation)
Project OD	0.00	4.00			
<b>Non-Fund Based</b>					
Bank Guarantee	3.00	4.00	Short Term	<b>BWR A4</b> (BWR A Four)	<b>BWR A4</b> (BWR A Four) (reaffirmation)
<b>Total</b>	<b>8.00</b>	<b>13.00</b>	<b>INR Thirteen Crores Only</b>		

BWR has relied upon audited financials up to FY16 and publicly available information and the information/clarifications provided by the management.

The rating reviewed continues to draw strength on the extensive industry experience of the promoters established relationship with Government departments, increased operating profit margin, and the revenue visibility. However, rating is constrained by small scale of operations, low net worth, reduced net profit margin and geographical concentration risk.

### Company Background

M/s Abirami Engineering Construction & Co was incorporated as partnership firm in the year 2000 located at Namakkal in Tamil Nadu and is engaged with 100% civil construction works for the PWD departments in Tamil Nadu. Firm is managed by two partners Mr. K R Subramaniyan and his wife Mrs. K R Santhi. Mr. K R Subramaniyan has more than three decades of experience in construction industry. The firm is registered as Class I Contractor for Public works Departments (P.W.D) Tamil Nadu. So far, the firm has reportedly executed works related to building, renovations and other related Govt works, the details of which were not provided.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

## Financial Performance

The revenue of the firm was Rs. 25.93 Cr for FY 16 with PAT Margin of 3.84 %. Tangible Net Worth increased from Rs. 3.27 Cr as on March 31, 2015 to Rs. 4.46 Cr as on March 31, 2016. Overall gearing of the firm was 1.22 times and the Current ratio was 1.52 times as on March 31, 2016.

## Rating Outlook

The outlook of the firm is expected to be stable over the next twelve months. Going forward, the ability of the firm to improve the order book position and revenue level, realise the pending receivables in a timely manner, improve profitability and achieve geographical and customer diversification in its revenue profile shall remain the key factors

<b>Analyst Contact</b>	<b>Relationship Contact</b>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone</b>	<b>Media Contact</b>
<b>1-860-425-2742</b>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

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