

Rating Rationale

Brickwork Ratings assigns ‘BWR BBB-’ & ‘BWR A3’ for existing Bank Loan Facilities amounting to ₹ 46 Cr of Agrawal Infrabuild Private Limited.

Brickwork Ratings has assigned **Ratings¹** for the existing bank loan facilities of Rs46.00 Cr (INR Forty Six Crores only) to Agrawal Infrabuild Private Limited (“AIPL” or the “Company”) as follows:

Facility	Present Limits(₹ Cr)	Tenure	Rating
Cash Credit (Fund Based)	5.00	Long Term	BWR BBB- (Pronounced BWR Triple B Minus) (Outlook: Stable)
Bank Guarantee (Non-Fund based)	41.00	Short Term	BWR A3 (Pronounced BWR A Three)
Total	46.00	INR Forty Six Crores only	

BWR has essentially relied upon the audited financial results up to FY15, and projections up to FY18, publicly available information and information/clarifications provided by the company’s management.

The rating draws strength from the established track record of the Company, experienced management and successful track record of timely completion of projects. AIPL has a healthy order book position of Rs. 122.62 as on October 25, 2015. However, the rating is constrained by moderate revenues and profitability, tender based orders which will limit margins available to the company and fragmented and competitive nature of industry

Background

AIPL was promoted as a partnership firm in the year 1997 and was later in 2006, incorporated as a Private Limited Company in the name of Agrawal Infrabuild Private Limited. The company is involved in the construction and maintenance of roads in Bilaspur, Chhattisgarh. AIPL is primarily implementing projects from PWD and PMGSY.

Management Profile

Mr. Bajrang Lal Agrawal, Mr. Pawan Kr. Agrawal, Mr. Rupesh Garg, Mr. Atulesh Agrawal and Mr. Ramavtar Agrawal are the directors of the Company . All the directors are well experienced and qualified.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Financial Performance:

Net sales have decreased to Rs.50.24 Cr in FY15 from Rs.50.76 Cr in FY14. Profit after tax (PAT) has increased to Rs1.59 Cr in FY15 as against Rs1.58 Cr in FY14. Net profit margin and operating profit margin of the company stood at 3.17% and 9.31% respectively. Tangible net worth of the company stood at Rs.47.42 Cr as on FY15.

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, the ability of the company to increase the revenues and improve the margin levels ensure timely debt servicing and manage its liquidity would be the key rating sensitivities.

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