



Rating Rationale

Aishwaryagiri Constructions Pvt Ltd

3 April 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs 51.00 Crores of M/s Aishwaryagiri Constructions Pvt Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based			
OCC/OBDD	30.00	Long Term	BWR BB- (Pronounced BWR Double B Minus) Outlook:Stable
OCC/OBDD - ADHOC	6.00		
Bank Guarantee	15.00	Short Term	BWR A4 (Pronounced BWR A Four)
Total	Rs. 51.00 Crores (Rupees Fifty One Crores Only)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results of the Company upto FY16, projections upto FY19, present status of the projects and order books, publicly available information and information/clarifications provided by the Company.

The rating has factored in, inter alia, the promoter's long standing experience in the civil construction sector, past project execution abilities, long standing relationship with the government agencies. However, the ratings are constrained on account of highly competitive intensity in the government civil construction segment, small scale of operations, high gearing levels, working capital intensive nature of operations, and normal execution risks relating to projects.

The rating outlook is expected to be stable over the current year. The ability of the Company to achieve the targeted revenue, execute its projects in a timely manner within budgeted costs, efficiently manage its working capital with the timely realization of receivables, would be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the M/s Aishwaryagiri Constructions Pvt Ltd 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

Aishwaryagiri Constructions Pvt Ltd was incorporated as a private limited company in the year 2011. The company registered office is situated at Basaveshwara Nagar, Bangalore and is involved in civil construction works such as road construction, building construction, slum development activities and other infrastructure development activities etc. Mr. Jayaramaiah Giriappa and Mr. Shivakumar Giriappa are directors of the Company. Mr. Jayaramaiah Giriappa is involved in day to day operations of the Company. He has more than 15 years of experience in this line of business.

Company Financial Performance

The total operating income from operations were Rs. 92.97 Crores in FY16 against Rs. 45.62 Crores in FY15. PAT has also improved from Rs. 2.55 crores in FY15 to Rs. 4.58 crores in FY16. The tangible net worth stood at Rs. 9.76 Crores as on March 31, 2016. Debt-equity stood at 4.28 times as on March 31, 2016.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Tenure	Amount (Rs Crs)	Rating	Date in 2016	Date in 2015	Date in 2014
1	OCC/OBBD	Long Term	30.00	BWR BB-	Nil	Nil	Nil
2	OCC/OBBD - ADHOC		6.00		Nil	Nil	Nil
3	Bank Guarantee	Short Term	15.00	BWR A4	Nil	Nil	Nil

Hyperlink/Reference to Applicable Criteria

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



For any other criteria obtain hyperlinks from website

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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, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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.