

Rating Rationale

Brickwork Ratings assigns ‘BWR BBB-’ for long term Bank Loan Facilities & ‘BWR A3’ for short term Bank Loan Facilities of Amar Infrastructure Limited (AIL)

Brickwork Ratings assigns BWR BBB-/Stable (Pronounced BWR Triple B minus) **Rating¹** for long-term bank loan facility of Rs.15 Crores and BWR A3 (Pronounced BWR A Three) for short term bank facilities of Rs.50 Crore for Amar Infrastructure Limited (AIL).

Facility	Limits (₹ Cr)	Rating*
Cash Credit	15	BWR BBB- [Pronounced BWR Triple B minus] (Outlook – Stable)
Bank Guarantee	50	BWR A3 (Pronounced as BWR A Three)
Total	65	(INR Sixty Five Crores only)

BWR has relied upon AIL’s audited financial results of up to FY15, provisional financials of 9 months Dec’15, projected financials up to FY18, publicly available information, and information/clarifications provided by the company.

The rating primarily derives comfort from promoters experience in the line of business, repayment structure in the form of escrow mechanism, company’s track record of successfully completing big commercial projects and existing order book position indicating the revenue visibility. However, the rating is constrained by relatively modest scale of operation, working capital intensive nature of business, area concentration and increasing trade receivables and inherent risks associated with the road infrastructure sector.

Company Background and Operations

Established in 1987, Amar Infrastructure Limited (AIL, initially known as Amar Builders) as a partnership firm with 3 partners engaged into the business of Civil construction activity. The firm was reconstituted and presently, it has four promoters.

Firm entered in the channel sleeper work in Indian Railway, later on when the new state was formed in 2001, the firm entered into road construction thereafter.

In 2009, the firm was reconstituted into a limited company known as Amar Infrastructure Limited.

Customers of AIL includes majorly the state government and National Highway Authority of India (NHAI).

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

Project Details

AIL has completed ~24 projects worth Rs.424 Cr in last 5 years and has an order book worth Rs.390 Cr constituting ~14 projects expected to be completed in next 3 years.

Rating Outlook:

Going ahead the company's ability to execute high value projects as per schedule/estimate would be a key rating sensitivity.

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