



Rating Rationale

Amrutha Constructions Pvt Ltd

17 April 2017

Brickwork Ratings reaffirms the ratings for the enhanced Bank Loan Facilities of Rs. 300.00 Crs of Amrutha Constructions Pvt Ltd.

Particulars

Facility Rate*	Amount (Rs. Crs)		Tenure	Rating ^	
	Previous	Present		Previous	Present
Fund Based	65.00	86.00	Long Term	BWR BBB Outlook: Stable	Reaffirmed at BWR BBB Outlook: Stable
Non-Fund Based	185.00	214.00	Short Term	BWR A3+	Reaffirmed at BWR A3+
Total	250.00	Rs. 300.00 Crores (Rupees Three Hundred Crores Only.)			

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

* Details of the rated facilities have been mentioned in the annexure.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY16, unaudited financials for 9MFY17, projected financials of Amrutha Constructions Pvt Ltd upto FY18, publicly available information and information/clarifications provided by the company's management.

The ratings have factored in the experience of the management in the construction industry, established track record of the company, consistent growth in revenues, healthy order book position ensuring revenue visibility upto FY18, moderate financial profile, adequate liquidity and strong debt protection metrics. However, the rating is constrained by increasing debt levels, geographic concentration in the revenue stream, tender based work awarding mechanism, which will limit the margins and inherent risks, associated with the sector.

Rating Outlook: Stable

BWR believes that **Amrutha Constructions 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

Amrutha Constructions Pvt Ltd was established as a proprietorship concern known as P.Venkateshwara Rao & Co in 1985 and later got converted into a Private Limited Company in 2006. The Company started with executing the Irrigation work for Minor and Major Irrigation departments of Karnataka. Gradually it started handling bigger Infrastructure and Construction Projects for goevrnemnt institutions and state government departments

The Company is registered as a Class - I Special Contractor with all these Government Departments and is also registered as Special Class - I contractor with Irrigation Department, Government of Telangana & AP.

Company Financial Performance

Net revenues have increased to ₹ 651.43 Crs in FY16 as against ₹ 514.49 Crs in FY15. However, profit after tax (PAT) stood at Rs. 25.45 Crs in FY16.

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

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History (Feb, 2016)		Rating History (2015)		Rating History (2014)	
		Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating	Amount (Rs Crs)	Rating	Amount (Rs Crs)	Rating	Amount (Rs Crs)	Rating
1.	Fund Based	Long Term	86.00	BWR BBB	65.00	BWR BBB	-	-	35.00	BWR BBB-
2.	Non Fund Based	Short Term	214.00	BWR A3+	185.00	BWR A3+	-	-	75.00	BWR A3

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)



Analytical Contacts	Media
Ms. Vipula Sharma Deputy General Manager - Ratings analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

Annexure
Rated facilities details

Type of facility	Name of the facility	Amount (Rs. Crs)	
		Previous	Present
Long Term – Fund Based	Cash Credit		
	Existing	50.00	50.00
	Proposed	15.00	36.00
Long Term Total		65.00	86.00
Short Term – Non Fund Based	Bank Guarantee		
	Existing	125.00	125.00
	Proposed	60.00	89.00
Short Term Total		185.00	214.00
Total (Short Term & Long Term)		250.00	300.00

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.