



## Rating Rationale

Aneri Construction Pvt Ltd

26 Feb 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 21.50 Crores of Aneri Construction Pvt Ltd.

### Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based	8.00	Long Term	<b>BWR BB</b> Pronounced as BWR Double B <b>Outlook: Stable</b>
Non Fund Based	13.50	Short Term	<b>BWR A4</b> Pronounced as BWR A Four
<b>Total</b>	<b>21.50</b>	<b>INR Twenty One crores and Fifty Lakhs Only</b>	

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the company's audited financial results upto FY17 and publicly available information and the information/clarifications provided by the firm.

The ratings draws strength from established presence of the firm and experienced management in the line of business, reputed clientele base as well as moderately strong financial position. However, the rating is constrained by decrease in the scale operations and fragmented nature of industry.

Going forward, the ability of the company to increase the turnover levels and profitability, increase its scale of operations, improve its financial risk profile and manage its working capital efficiently will be the key rating sensitivities.



## Description of Key Rating Drivers

### Credit Strengths:

**Established Presence and Experienced management :** The company has been in the line of business since 1992 and likewise the founder of the company Mr. Bharat M. Patel has a business experience of more than 25 years in the line of business.

**Reputed Client Base :** The Aneri Construction Pvt Ltd has been able to gain tenders from reputed clients such as Adani Gas Ltd, Indian Oil Adani Gas Pvt Ltd and Gujarat Gas Ltd. Moreover, the company has established relation with the customers for more than 6 years.

**Moderate Financial Risk Profile :** ACPL has low gearing at 0.57 times on the account of high networth of Rs. 14.83 Crs as on 31st March 2017. Moderate level of current ratio signifying adequate liquidity in the firm.

- **Credit Risks:**

**Decrease in scale of operations :** Total operating income decreased from Rs.43.90 Crs in FY16 to Rs.35.24 Crs in FY17.

**Fragmented nature of the industry :** As the company majorly depends on tenders, it is exposed to risk in tendering process. Moreover, large number of players are participating in the tender which might affect the contract receipts of the company.

## Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

### Rating Outlook: *Stable*

BWR believes the **Aneri Construction 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

Aneri Construction Pvt Ltd is an ISO 9001:2008 certified company which was established in the year 1992 by Mr. Bharat M. Patel. The company has its registered office in Surat, Gujarat. ACPL is engaged in the business of construction of natural gas pipelines. Its major projects are executed in Gujarat, Delhi and Uttar Pradesh.

## Company Financial Performance



The company reported a net revenue from operations of Rs. 43.90 Crs in FY16 and Rs. 43.90 Crs in FY17. The firm has net profit margin of 1.22% in FY17. Tangible net worth stood at Rs.14.83 Crs as on March 31, 2017.

### Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2016	2015	2014
1.	<b>Fund Based</b>	Long Term	8.00	BWR BB (Outlook: Stable)	NA	NA	NA
2.	<b>Non Fund Based</b>	Short Term	13.50	BWR A4			
	<b>Total</b>		<b>21.50</b>	<b>Rupees Twenty One crores and Fifty Lakhs Only</b>			

### Key Financial Indicators

Key Parameters	Units	2017	2016
Result Type		Audited	Audited
Operating Revenue	₹ Cr	35.24	43.90
EBITDA	₹ Cr	3.90	4.94
PAT	₹ Cr	0.43	0.47
Tangible Net worth	₹ Cr	14.83	14.43
Total Debt/Tangible Net worth	Times	0.57	0.59
Current Ratio	Times	1.30	1.16

**Status of non cooperation with Previous CRA : Non Applicable**



**Any other information: Non Applicable**

**Hyperlink/Reference to applicable Criteria**

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

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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.



**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.