

Rating Rationale

Anupam Nirman Private Limited

9 January 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 87.54 Crores of Anupam Nirman Private Limited

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based	19.54	Long Term	BWR BBB Outlook: Stable
Non-Fund Based	68.00	Short Term	BWR A3+
Total	Rs. 87.54 Crores (Rupees Eighty Seven Crores and Fifty Four Lakhs Only.)		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Annexure-I provides details of the bank facilities

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating has factored, inter alia, the long standing experience of the promoters in civil construction business, consistent improvement in top line, comfortable capital structure, healthy order book position and good track record of executing various Government projects. The vulnerability of the Company's profitability to fluctuation in raw materials prices is mitigated to large extent due to presence of price escalation clause in the contracts. The healthy unexecuted order book position of around Rs. 423 Crore (as on 30 Nov 2016) provides revenue visibility over the medium term. Moreover, the Company has adequate manpower and fleet of construction equipment to support execution of on-going projects.

The rating is, however, constrained by relatively moderate scale of operations, high geographical concentration risk with major operations restricted to the States of Assam and West Bengal and intense competition in the civil construction industry. Going forward, the Company's ability to improve its scale of operations through geographical diversification, maintenance of comfortable capital structure and profitability, efficient working capital management, sustained order inflows



and timely execution of work orders shall remain the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Anupam Nirman Private Limited** 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

Incorporated in October 2009, Anupam Nirman Private Limited (ANPL) is based out of Guwahati and engaged in civil construction works such as construction of roads, bridges etc. Earlier, the business was carried by Mr. Anupam Sharma, the promoter director of ANPL, as a proprietorship concern.

ANPL is a registered category I (A) contractor with Public Works Department (Assam & West Bengal), National Highway Works (Assam), National Building Construction Corporation (NBCC), National Projects Construction Corporation Limited (NPCC), North East Frontier Railways.

Some of the past completed projects include construction of road from Dhumarkur to Sonafully, Borbhita to Bortary, Madhupur to Akhra under Pradhan Mantri Gram Sadak Yojana (PMGSY), general civil construction work including piling and internal plumbing system for the Mega Food Park Project at Tihu, District Nalbari, Assam etc. Besides, the Company also undertakes projects in Joint venture.

Company Financial Performance

The Company has reported Net Profit of Rs. 4.83 Crore on total operating income of Rs. 113.10 Crore in FY16 against Net Profit of Rs. 4.32 Crore on total operating income of Rs. 92.91 Crore in FY15.

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

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014

1	Fund Based	Long Term	19.54	BWR BBB	-	-	-
2	Non-Fund Based	Short Term	68.00	BWR A3+	-	-	-

Status of non-cooperation with previous CRA: Not applicable

Annexure 1: Details of the bank facilities rated

Nature of Facility	SBI (₹ Cr)	PNB (₹ Cr)	Total (₹ Cr)
Fund Based	16.54	3.00	19.54
Cash Credit	15.00	3.00	18.00
Term Loan	1.54	0.00	1.54
Non-Fund Based	53.00	15.00	68.00
Bank Guarantee	53.00	15.00	68.00
Total	69.54	18.00	87.54

Hyperlink/Reference to Applicable Criteria

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

Analytical Contacts	Media
Swapna Chandra Deputy GM, Ratings	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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.