Press Release

Brickwork Ratings assigns 'BWR BB' & 'BWR A4' for the Bank Loan Facilities aggregating ₹ 6 Cr of Aravinda Electricals

Brickwork Ratings has assigned following **Ratings**[1] for Bank Loan Facilities of **Aravinda Electricals.**

Facility	Limits (₹ Cr)	Tenure	Rating
OCC/ODBD (Fund Based)	**3.00**	**Long Term**	**BWR BB** (Pronounced BWR Double B) **(Outlook- Stable)**
Bank Guarantee (Non - Fund Based)	**3.00**	**Short Term**	**BWR A4** (Pronounced BWR A Four)
Total	**6.00**	**(INR Six Crores only)**	

The rating factors, inter alia, promoter's experience in related business, adequate liquidity position of the firm and consistent growth in revenue for past 2 years. However the rating is constrained by limited pricing power for the firm as reflected by moderate profitability, modest net worth and potential effect on the business if the firm is not successful in getting orders via the tendering process.

Aravinda Electricals is a Proprietorship firm, formed in 1989 by Mr. B M Srinivasa. The firm is exclusively involved in executing Electrical Contracts for the Karnataka State Government.

Aravinda Electricals has achieved consistent growth in sales over last 2 years. During FY2011-12 their net revenue from operation increased to ₹ 1.18 Crores from ₹ 0.78 Crores in the previous year. The firm's net profit margin decreased from 9.09% in FY2010-11 to 8.36% in FY 2011-12. In FY2012- 13 the firm has an estimated turnover of ₹ 20.00 Crores.

[1] ***Please refer to BWR website** www.brickworkratings.com **for definition of the Rating***

Rating Outlook:

The firm operates in a highly competitive and low margin business. Outlook for firm's operation is stable. Meeting the projected turnover levels with improving margins and efficient working capital management will be the key rating sensitivity factors.

analyst@brickworkratings.com	bd@brickworkratings.com
Phone	**Media Contact**
1-860-425-2742	media@brickworkratings.com