

Rating Rationale

Doon Infrastructure

17th July 2017

Brickwork Ratings reaffirms the Ratings for the Bank Loan Facilities of Doon Infrastructure

Particulars:

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based					
Cash Credit	2.00	5.00	Long Term	BWR BB (Pronounced as Double B) Outlook: Stable	BWR BB (Pronounced as Double B) Outlook: Stable Reaffirmed
Term Loan	0.65	0			
Non-Fund Based					
Bank Guarantee	8.00	15.00	Short Term	BWR A4+ (Pronounced A for plus)	BWR A4+ (Pronounced A for plus) Reaffirmed
Total	10.65	Rs. 20.00 Crores (Rupees Twenty Crores Only)			

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

Rating Reaffirmed for the long term and short term facilities.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The ratings continue to draw comfort from the extensive experience of the partners of Doon Infrastructure (DI or 'the firm') in the civil construction business, low Debt Equity Ratio, besides continuity in inflow of orders and maintaining of moderate profitability margins. At present, the firm has current order book position of ~ ₹ 50.00 crores which will be completed during FY18. However, the ratings are constrained by intense competitive nature of business, moderate scale of operations and low networth. Further, the firm is solely dependent on successful bidding for contracts through tenders floated by government departments of Utrakhnad state for its operating revenues.

Rating Outlook: Stable

BWR believes the Doon Infrastructure'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 there is a sustained improvement in the revenues and profits of the company owing to the policies implemented by the Government agencies regarding the tenders. The rating outlook may be revised to 'Negative' if the revenues and profits reduce due to non-implementation of the same.

About the Firm:



Doon Infrastructure was established as a partnership firm in 2007. The partners of the firm are Mr. Rajeev Kumar Bansal and Mr. Rakesh Kumar Bansal. The firm's registered office is located at Dehradun, Uttarakhand. The firm is involved in all types of civil works such as construction of bridges, repairing roads, strengthening of the roads etc. The firm has executed major projects of PWD in Dehradun, Haridwar, Roorkee, Rishikesh etc. The firm receives order by participating in the government's tender process.

Company Financial Performance

Revenue has increased by 66% to Rs. 58.73 Crores in FY16 as against Rs. 35.33 Crores in FY15, with Profit after Tax of Rs. 3.48 Crores in FY16 as against Rs. 2.11 Crores in FY15. As per provisional financial data for FY17, the company achieved revenue of Rs.50.18Cr with PAT of Rs.3.13 Cr.

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

Facility	Previous Amount (Rs. Crs)	Rating Assigned (2017)			Rating History		
		Amount (Rs. Crs)	Tenure	Rating	2016	2015	2014
Cash Credit	2.00	5.00	Long Term	BWR BB (Pronounced as Double B) Reaffirmed Outlook: Stable	BWR BB (Pronounced as Double B) Outlook: Stable	NA	NA
Term Loan	0.65	0					
Non Fund Bank Guarantee	8.00	15.00	Short Term	BWR A4+ (Pronounced as A Four Plus) Reaffirmed	BWR A4+ (Pronounced as A Four Plus)	NA	NA
Total	10.65	20.00	Rupees Twenty Crores only				

Status of non-cooperation with previous CRA (if applicable)-Reason and comments-NA

Any other information- NIL

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entity](#)
- [Short Term Debt](#)



For any other criteria obtain hyperlinks from website

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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 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

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