

Rating Rationale

Apex Structure Pvt Ltd.

13 June 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 7.00 Crores (INR Seven Crores Only) of Apex Structure Pvt Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Ratings*
Fund Based			
Cash Credit	2.00	Long Term	BWR B+ (Pronounced as BWR B Plus) (Outlook : Stable)
Non-Fund Based			
Inland BG - Performance	5.00	Short Term	BWR A4 (Pronounced as BWR A Four)
Inland BG - Financial (Sublimit of Inland BG Performance)	1.25		
Total	7.00	INR Seven Crores Only	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financials up to FY16, provisional of FY17 and projected financials of FY18, publicly available information and information/clarification provided by the company's management.

The rating has inter alia, factored promoters extensive experience in the industry of more than a decade, long track record of the company, moderate gearing level and majority of the customers are from government which shows assured fund realization. However, the rating is constrained by small scale of operations, low tangible net worth, fluctuations in revenues due to tender based model and low cash accruals.

Going forward, the company's ability to scale up its operations with improvement in revenue, increase in net worth, efficient management of its working capital and company's ability to achieve the projections would be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Apex Structure 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

Apex Structure Pvt Ltd was incorporated in 2007. The company is engaged in arenas of infrastructure development like Bitumen, RCC road, Paver block, Sewer line, Water line, Sewerage treatment plant, Club houses, EWS and Government contractor ship for roads and buildings. The company is promoted by Mr. Nitin Agarwal as a Managing Director and Mrs. Bhawna Agarwal as Director.

Company Financial Performance

As per audited financials of FY16, the company has reported revenue of Rs. 12.06 crs. against revenue of Rs. 9.15 crs in FY15. The net profit of the company is registered at Rs. 0.31 crs in FY16 as compare to Rs. 0.23 crs in FY15. Tangible net worth of the company stood at Rs. 2.33 crores.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
	Facility Rated	Type (Long Term/Short Term)	Amount (Rs. Crs)	Rating	2016	2015	2014
Fund Based							
1	Cash Credit	Long Term	2.00	BWR B+ (Pronounced as BWR B Plus) (Outlook : Stable)	-	-	-
Non-Fund Based							
5	Inland BG - Performance	Short Term	5.00	BWR A4 (Pronounced as BWR A Four)	-	-	-
6	Inland BG - Financial (Sublimit of Inland BG Performance)		1.25				
	Total		7.00	(INR Seven Crores Only)			

Hyperlink/Reference to Applicable Criteria



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