



Rating Rationale

Vikram Structures Pvt Ltd

16th August 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 23.60 Crs of Vikram Structures Pvt Ltd (VSPL).

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
<u>Fund Based</u>					
Cash Credit	5.00	5.00	Long Term	BWR BB Outlook: Stable (Pronounced as BWR Double B)	BWR BB Outlook: Stable (Pronounced as BWR Double B)
*Term Loan	23.16	18.60			
Total	28.16	23.60	Rs. 23.60 Crs (Rupees Twenty Three Crores and Sixty Lakhs Only.)		

* For definition of the ratings please refer to our website www.brickworkratings.com

* Outstanding amount of term loan as on 25th July 2017

Rating Reaffirmed:

Brickwork Ratings (BWR) has reaffirmed rating for Bank Loan Facilities of Rs. 23.60 Crs of **Vikram Structures Pvt Ltd** ('VSPL' or 'the company').

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results of the company up to FY16, provisional financial for FY17 and publicly available information and information/clarifications provided by the management.

The rating continues to factor, inter- alia, the promoters experience in the industry for more than one decade with presence in and around Bangalore, moderate booking positions and moderate financial profile.

However, the ratings are constrained by high working capital intensity, geographical concentration in revenue, sluggish and cyclical nature of real estate industry and competition from renowned and bigger market players.

Going forward, the ability of the company to achieve targeted revenue, timely completion of the projects and efficient management of cash flows would be key rating sensitivities.

Analytical Approach:

Rating Criteria links are given in the end.

Rating Outlook: Stable

BWR believes the **Vikram Structures Pvt Ltd'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 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 :

Vikram Structures Pvt Ltd was incorporated on 29th April 2008 by Mr. Vikram Prabhakar in Bengaluru, Karnataka. The company is in real estate sector with its primary focus on the construction of multi unit residential apartment and commercial complex. Mr. Vikram Prabhakar is managing director of the company with more than 15 years of experience in real estate industry.

Company Financial Performance :

In FY17, the company achieved Net Sales of Rs. 36.77 Cr compared to Rs. 34.31 Cr of Net Sales in FY16. The Tangible Net Worth stood at Rs. 17.48 Cr as on 31st March, 2017, as against Rs. 15.72 Cr as on 31st March 2016. The Debt/Equity ratio stood at 2.38X in FY17 compared to 2.51X in FY16.

Key Financial ratios:

Particular	FY 2015-16	FY2016-17
Net Sales (Rs Cr)	34.31	36.77
EBITDA (Rs Cr)	6.92	6.71
PAT (Rs Cr)	1.37	1.74
Tangible Net Worth (TNW) (Rs Cr)	15.72	17.48
Total Debt/TNW	2.51X	2.38X
Current Ratio	3.68X	2.21X

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

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amt (Rs Crs)	Rating	2016	2015	2014
1	Fund Based Cash Credit	Long Term	5.00	BWR BB Outlook: Stable	BWR BB Outlook: Stable	BWR BB Outlook: Stable	-



2	Fund Based Term Loan	18.60	(Pronounced as BWR Double B)	(Pronounced as BWR Double B)	(Pronounced as BWR Double B)	-
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Status of non-cooperation with previous CRA - Not Applicable

Hyperlink/Reference to applicable Criteria

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