

Rating Report

Brickwork Ratings assigns 'BWR B+' for the Bank Loan Facilities aggregating ₹5 Cr of APC Drilling Pvt. Ltd.

Brickwork Ratings (BWR) has assigned the following **Rating¹** for the Bank Loan Facilities of ₹ 5 Cr of APC Drilling Pvt Ltd Limited (*APCDPL or 'the company'*).

Facility (Existing)*	Amount (₹Cr)	Tenure	Rating
Fund Based			
Overdraft	5.00	Long term	BWR B+ (Pronounced BWR B Plus) Outlook : Stable
Total	5.00	(INR Five Crores only)	

BWR has principally relied upon the audited financial results up to FY14, projected financials of FY 15, publicly available information and information/clarifications provided by the company.

The ratings reflect the experienced management, medium term revenue visibility and sustained operating profit margins of the company. The ratings are, however, constrained by the company's limited geographical penetration, high gearing and weak debt protection metrics and high intensity of competition from unorganized sector.

Background:

APC Drilling Pvt Ltd was incorporated on 2.2.2012 as a private limited company. The Company is into water drilling activity alone. With their vast experience in drilling activity, they have started this new company for specializing in water drilling and the other sister company APC Drilling & Construction Pvt Ltd is into all forms of drilling viz., core and diamond drilling for mining companies since 2009.

The company is fetching order from various private parties.

Company has skilled work force and the team includes adept engineers from Drilling, Hydraulics, and Mechanical engineering space along with helpers and field workers.

The crew members conduct a thorough research on the worksite taking into account the ecological factors along with health and safety of employees so as to avoid environmental damage.

Management Profile:

APCDPL is managed by Mr.A.Pari, and Mr.A. Chandran , both are well experienced in the drilling industry for more than 15 years.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Financial Performance:

In FY14, the company made revenue of Rs 29.82 Crs compared to Rs.8.64 Crs in FY 13, Operating profit margin has slightly reduced from 19.66% to 17.03% in FY 14.

Net profit margin has improved from 1.06% to 2.16%. As per achieved results upto 30.10.14, the sales achieved till Oct 14 is reported as Rs.27.11Crs and profit of Rs.0.73 Crs.

Tangible networth of the company as on 31.3.14 is Rs. 1 Cr.

Rating Outlook

The outlook of the company is expected to be stable over the medium term. Going forward, the company's ability to execute the order book in a timely manner while sustaining profitability margins, ensure need based financial support from the promoters and achieve overall efficient working capital management will be the key rating sensitivity factors.

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Annexure I: Profit and Loss account of RPP Infra Projects Ltd (Rs in Crs)

Profit and Loss Account

Crores	31-Mar-2012	31-Mar-2013	31-Mar-2014
Result Type	Audited	Audited	Audited
Gross Sales	0.00	8.64	29.82
Traded Goods Sales	0.00	0.00	0.00
Excise Duty/Sales Tax	0.00	0.00	0.00
Net Sales	0.00	8.64	29.82
Other Operating Income	0.00	0.00	0.00
Total Operating Income	0.00	8.64	29.82
Operating Expenses	0.00	6.94	24.74
OPBDIT	0.00	1.70	5.08
Depreciation/Amortization/Impairment	0.00	0.61	2.25
OPBIT	0.00	1.09	2.83
Interest and Finance Charges	0.00	0.84	2.34
OPBT	0.00	0.25	0.49
Non Operating Income(Expenses)	0.00	0.00	0.00
PBT	0.00	0.25	0.49
Extraordinary/Prior Period - Income(Expense)	0.00	0.00	0.00
Provision for Taxes	0.00	0.16	-0.16
PAT(Continuing Operations)	0.00	0.09	0.64

Annexure II: Balance Sheet of RPP Infra Projects Ltd (Rs in Crs)

Crores	31-Mar-2012	31-Mar-2013	31-Mar-2014
Liabilities	Audited	Audited	Audited
EQUITY AND RESERVES	0.06	0.35	1.00
Share capital	0.01	0.01	0.26
Share Application money Pending allotment	0.04	0.25	0.00
Reserves and Surplus	0.01	0.09	0.74
Non-current liabilities	0.69	15.55	14.96
Long-Term Borrowings	0.69	15.55	14.96
Other Long Term liabilities	0.00	0.00	0.00
Long-Term Provisions	0.00	0.00	0.00
Current liabilities	0.12	0.43	7.62
Short-Term Borrowings	0.00	0.00	4.67
Current Portion Of Long Term Debt	0.00	0.00	1.70
Trade Payables	0.12	0.40	1.13
Other Current Liabilities	0.00	0.02	0.11
Short-Term Provisions	0.00	0.01	0.01
Total Liabilities	0.87	16.33	23.58
ASSETS			
Non-current assets	0.84	12.40	14.47
Net Fixed assets	0.00	12.40	14.31
Capital Work-In-Progress	0.82	0.00	0.00
Non Current Investments	0.00	0.00	0.00
Deferred Tax Assets (Net)	0.00	0.00	0.15
Other Non Current Assets	0.00	0.00	0.01
Current assets	0.03	3.93	9.10
Current Investments	0.00	0.00	0.00
Inventories	0.00	0.41	2.99
Trade Receivables < Six Months	0.00	1.69	3.71
Cash and Cash Equivalents	0.03	0.73	1.04
Short-Term Loans and Advances	0.00	1.09	1.37
Other Current Assets	0.00	0.00	0.00
Total Assets	0.87	16.33	23.58

Annexure III: Key financial ratios*

Particulars	31.3.2012	31.3.2013	31.3.2014
	Audited	Audited	Audited
Tangible Net Worth	0.06	0.35	1.00
Capital Employed	0.75	15.90	22.18
Total Debt/TNW	11.55	44.18	21.42
Long Term Debt/TNW	11.55	44.18	15.02
TOL/TNW	13.46	31.47	15.30
ISCR	N.A	2.03	2.17
DSCR	N.A	1.64	1.15
Net Cash Accruals/Total Debt	0.00	0.05	0.12
Net Cash Accruals/Long Term Debt	0.00	0.05	0.18
Net Profit Margin	N.A	1.06	2.16
Operating Profit Margin	N.A	19.66	17.03
ROCE	0.00	13.09	14.87
Current Ratio	0.28	9.21	1.19
Days Receivables	N.A	36	33
Days Inventory	N.A	12	26
Days Payable	N.A	17	14

*calculations are based on BWR definition