

Press Release

Apoorva IT Solutions Private Limited

June 20, 2019



Rating Downgraded & Withdrawn

Total Bank Facilities Rated*	Rs. 10.00 Cr. #
Long Term Rating	ACUITE BB- (Downgraded & Withdrawn)
Short Term Rating	ACUITE A4 (Withdrawn)

Refer Annexure for details

Acuité has downgraded and withdrawn long-term rating to '**ACUITE BB-**' (**read as ACUITE double B minus**) from '**ACUITE BB**' (**read as ACUITE double B**) and short term rating to '**ACUITE A4**' (**read as ACUITE A four**) from '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 10.00 crore bank facilities of Apoorva IT Solutions Private Limited (AISPL).

The rating has been downgraded on account of deterioration in business risk profile and stretched liquidity. The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Apoorva IT was established in 1998 by Mr. Murlidhar Reddy and family. The company is a distributor of hardware products of reputed brands including Hewlett-Packard, Cisco, Microsoft, RedHat among others and also offers integrated solutions and maintenance services.

Analytical Approach

Acuité has considered the standalone financial and business risk profiles of AISPL to arrive at the rating.

About the Rated Entity - Key Financials

	Unit	FY19 (Provisional)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	28.91	32.43	30.57
EBITDA	Rs. Cr.	1.47	1.68	2.44
PAT	Rs. Cr.	0.50	0.37	1.06
EBITDA Margin	(%)	5.07	5.17	7.97
PAT Margin	(%)	1.73	1.14	3.48
ROCE	(%)	10.95	12.88	21.77
Total Debt/Tangible Net Worth	Times	0.70	1.20	1.09
PBDIT/Interest	Times	1.94	1.47	2.18
Total Debt/PBDIT	Times	3.31	4.52	2.49
Gross Current Assets (Days)	Days	241	290	208

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument
<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
29-Mar-18	Cash Credit	Long Term	4.00	ACUITE BB/ Stable (Reaffirmed)
	Bank Guarantee	Short Term	2.50	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	3.50	ACUITE A4+ (Reaffirmed)
21-Dec-16	Cash Credit	Long Term	4.00	ACUITE BB/ Stable (Assigned)
	Bank Guarantee	Short Term	2.50	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	3.50	ACUITE A4+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB- (Downgraded & Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE A4 (Downgraded & Withdrawn)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE A4 (Downgraded & Withdrawn)

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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