Press Release

September 19, 2025

APEX ECOTECH LIMITED (ERSTWHILE APEX ECOTECH PRIVATE LIMITED)
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	2.00	ACUITE BBB- | Stable | Upgraded	-
Bank Loan Ratings	8.10	-	ACUITE A3 | Upgraded
Total Outstanding	10.10	-	-
Total Withdrawn	0.00	-	-

Rating Rationale

Acuité has upgraded the long-term rating to **'ACUITE BBB-' (read as ACUITE triple B minus)** from **'ACUITE BB+' (read as ACUITE double B plus)** and upgraded the short-term rating to **'ACUITE A3' (read as ACUITE A three)** from **'ACUITE A4+' (read as ACUITE A four plus)** on the Rs.10.10 crore bank facilities of Apex Ecotech Limited - AEL (Erstwhile Apex Ecotech Private Limited). The outlook is **'Stable'**.

Rationale for Upgrade

The rating upgrade is majorly on account of consistent growth in the operating performance of the company marked by improvement in operating income and healthy profitability margins. The rating considers the extensive experience of promoters, long track record of operations along with healthy financial risk profile and adequate liquidity position of the company. However, the rating remains constrained by moderately intensive working capital operations and its exposure to intense competition within a fragmented industry.

About the Company

Apex Ecotech Limited - AEL (Erstwhile Apex Ecotech Private Limited) is incorporated in 2009 is Pune based company promoted by Mr. Anuj Dosajh, Mr. Ajay Raina, Mr. Ramakrishnan Iyer and Mr. Lalit Datta. Further in December 2024 the company is converted to public limited company. The company is engaged in provided integrated water treatment solution which finds its use in various industries like automobile, food and beverages, textile, paper, chemical & fertilizers among others. AEL designs, supply, assembles and installs water treatment plant and also provides annual operational and maintenance services.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and risk profile of AEL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Management and long operational track record

AEL is managed by its promoters namely Mr. Anuj Dosajh, Mr. Ajay Raina and Mr. Ramakrishnan Balasundaram Aiyer who have extensive experience of more than two decades in providing various water treatment solutions. Their extensive experience has helped in establishing a healthy relationship with reputed clients including L&T, Hindustan Unilever Limited, Piramal, Jubilant, Hindalco. Ashok Leyland Limited, Honda Motorcycle and Scooters India Private Limited, Hero MotoCorp Limited, and Honda Cars India Limited. Further, it has an international presence in Asia and Africa. Acuité believes that promoter's experience and established relationship with customers is expected to support its business risk profile over the medium term.

Significant improvement in Revenue with modest scale of operations

The operations of the company reported growth in operating income to Rs.70.99 crore in FY2025 as against Rs.53.32 crore in FY2024 and Rs.34.70 crores in FY2023 on account of timely execution of orders. The company has an unexecuted order book position of Rs.46.83 crore as on March 31, 2025. Further the company has an adequate order book ensuring revenue visibility for the near to medium term. The operating margins stood healthy at 15.79 percent in FY25 as against 17.28 percent in FY2024 and 11.08 percent in FY2023. Further the PAT margin of the company stood at 12.06 per cent in FY2025 as against 12.44 per cent in FY2024 and 8.19 per cent in FY2023. Acuite believes, the sustenance of operating margins while consistently increasing its scale will remain a key monitorable.

Healthy Financial Risk Profile

The company's financial risk profile remained healthy marked by low gearing and healthy debt protection metrics and improved net worth. The tangible net worth of the company stood at Rs.46.23 crore as on March 31, 2025, as against 14.72 crore as on March 31, 2024, and 7.22 crore as on March 31, 2023. The improvement in net worth is due to equity infusion through public issue and accretion of profits into reserves. In December 2024, the company has issued and allotted 0.35 crores equity shares at the price of Rs.73 per share (including security premium of Rs. 63 per share) for total consideration value of Rs.25.54 Cr through SME IPO on NSE. Out of the total IPO proceeds Rs.17 crores were utilised towards working capital uses, Rs 6.38 crores for general purpose and Rs.2.16 on IPO issue expenses. The debt of the company stood at Rs.0.18 crore as on March 31, 2025, which includes Rs.3.00 lakhs of vehicle loans and CPLTD of Rs.15.00 lakhs during the same period. The debt protection metrics stood healthy marked by ICR of 69.68 times in FY2025 as against 92.16 times in FY2024 while DSCR stood at 22.90 times in FY2025 as against 23.51 times in FY2024. Going forward, the financial risk profile of the company is expected to improve and remain healthy on account of no planned capex.

Weaknesses

Moderate intensive working capital operations

The working capital operations of the company moderated marked by Gross Current Assets (GCA) of 191 days as on March 31, 2025, as compared to 109 days as on March 31, 2024, The GCA days are led by receivables days of 114 days in FY2025 as against 60 days in FY2024. The debtor days is marked high due to high billings in March 2025, i.e., due to year end phenomenon. The inventory days stood at 15 days in FY2025

and in FY2024. Company maintains inventory as per order basis. Company doesn't have a factory of its own, they design the parts, and the manufacturing is outsourced. Creditor days stood at 27 days in FY2025 as against 38 days in FY2024. The company has not utilised its fund-based limits since last 6 months ended August 2025 and non-fund-based utilisations stand at 60 per cent. Going ahead, working capital operations of the company are expected to improve and remain moderate over the medium term.

Highly competitive and fragmented nature of industry
AEL operates in a highly fragmented industry with a large number of organized and unorganized players present in the market. However, the risk is mitigated to an extent on account of established track record of operations of AEL.

Rating Sensitivities

- Sustained growth in scale of operations while improving profitability.
- Elongation of working capital cycle
- Changes in financial risk profile

Liquidity Position

Adequate
The company's liquidity is adequate marked by sufficient cash accruals of Rs.8.78 crore in FY2025 as against maturing debt obligations of Rs.0.22 crore. The company has not utilised its fund-based limits since last 6 months ended August 2025 and non-fund-based utilisations stand at 60 per cent during the same period. The current ratio improved to 3.63 times as on March 31, 2025 as compared to 2.21 times as on March 31, 2024. The unencumbered cash and bank balances stood at Rs.6.98 crore as on March 31, 2025, with investments in FD of Rs.20.97 crore out of which Rs.9.51 crore are lien against BG during the same period. Going forward, cash accruals are expected to remain in the range of Rs.11.90 to 14.50 crore against maturing debt obligations of Rs.0.03 crore for FY2026. Acuite believes that the liquidity of the company will remain adequate supported by sufficient cash accruals against maturing debt obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	70.99	53.32
PAT	Rs. Cr.	8.56	6.63
PAT Margin	(%)	12.06	12.44
Total Debt/Tangible Net Worth	Times	0.00	0.03
PBDIT/Interest	Times	69.68	92.16

Status of non-cooperation with previous CRA (if applicable)
Not Applicable

Any other information
None

Applicable Criteria
• Default Recognition :- https://www.acuite.in/view-rating-criteria-52.htm
• Infrastructure Sector: https://www.acuite.in/view-rating-criteria-51.htm
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm

Note on complexity levels of the rated instrument
In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Jun 2024	Bank Guarantee (BLR)	Short Term	6.00	ACUITE A4+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	2.10	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BB+ | Stable (Upgraded from ACUITE BB | Stable)
24 Mar 2023	Bank Guarantee (BLR)	Short Term	5.40	ACUITE A4+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	4.65	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	0.05	ACUITE BB | Stable (Reaffirmed)
06 Jan 2022	Bank Guarantee/Letter of Guarantee	Short Term	6.60	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	3.50	ACUITE BB | Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A3 | Upgraded (from ACUITE A4+)
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BBB- | Stable | Upgraded (from ACUITE BB+)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.10	Simple	ACUITE A3 | Upgraded (from ACUITE A4+)

Contacts

Mohit Jain Chief Analytical Officer - Rating Operations Akshat Shah Associate Analyst - Rating Operations	**Contact details exclusively for investors and lenders** Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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