

September 16, 2022

Austin Plywood Pvt. Ltd.: Rating downgraded and Moved to Issuer Non-Cooperating category; based on best available information

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund-based Cash Credit	12.50	12.50	[ICRA]BB+(Stable) ISSUER NOT COOPERATING *, rating downgraded from [ICRA]BBB(Stable) and moved to the 'Issuer Not Cooperating' category
Long Term – Fund Based – Term Loan	1.25	1.25	[ICRA]BB+(Stable) ISSUER NOT COOPERATING *, rating downgraded from [ICRA]BBB(Stable) and moved to the 'Issuer Not Cooperating' category
Short Term – Non-Fund Based – Other	1.00	1.00	[ICRA]A4+/ISSUER NOT COOPERATING*, rating downgraded from [ICRA]A3+ and moved to the 'Issuer Not Cooperating' category
Long Term / Short Term – Unallocated	20.25	20.25	[ICRA]BB+(Stable)/ [ICRA]A4+ ISSUER NOT COOPERATING *, rating downgraded from [ICRA]BBB(Stable)/ A3+ and moved to the 'Issuer Not Cooperating' category
Total	35.00	35.00	

*Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Austin Plywood Pvt. Ltd.'s performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Austin Plywood Pvt. Ltd., ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical Approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	Ratings are based on the standalone financial statements of the company

About the Company

APPL was incorporated in 1982 by the Kolkata-based Agarwal family under the name of B. S. Progressive Pvt. Ltd. In January 2020, the name of the company was changed to Austin Plywood Pvt. Ltd. The company manufactures plywood, block board and flush door. Besides, it trades in plywood, veneer, PVC foam board etc. The manufacturing facility of the company is in Kolkata, West Bengal. The installed capacity of the plywood manufacturing facility is 75,00,000 notional area (NA), equivalent to 30,000 cubic metres (CBM) per annum.

Key financial indicators

	FY2020 (Audited)	FY2021 (Provisional)
Operating income (Rs. crore)	131.8	169.0
PAT (Rs. crore)	4.4	7.4
OPBDIT/OI	5.9%	6.4%
PAT/OI	3.3%	4.4%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDIT (times)	1.5	0.5
Interest coverage (times)	10.1	12.8

* Provisional financials; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	CRISIL B/Stable/CRISIL A4+; Issuer Not Cooperating	Jul 27, 2021

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Amount outstanding As, (Rs. crore)	Chronology of Rating History for the past 3 years				
				Current rating (FY2023)		Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020
				Date & rating in FY2023		Sep 16, 2022	Jul 30, 2021	Aug 25, 2020
1	Cash Credit	Long-term	12.50	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-
2	Term Loan	Long-term	1.25	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-
3	Non-Fund Based	Short Term	1.00	-	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3+	[ICRA]A3+	-
4	Unallocated Limits	Long / Short Term	20.25	-	[ICRA]BB+(Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BBB (Stable) / [ICRA]A3+	[ICRA]BBB (Stable) / [ICRA]A3+	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Cash Credit	Simple

Term Loan	Simple
Non-Fund Based	Very Simple
Unallocated Limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	12.50	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Term Loan	FY2021	7.55% p.a	FY2023	1.25	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	1.00	[ICRA]A4+; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	20.25	[ICRA]BB+ (Stable)/[ICRA]A4+; ISSUER NOT COOPERATING

Source: Company

Annexure II: List of entities considered for consolidated analysis: NA

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About ICRA Limited:

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