

May 16, 2019

Cipy Polyurethanes Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term Fund based – Term Loan	6.62	6.62	[ICRA]BBB- (Stable); ISSUER NOT CO-OPERATING*; withdrawn
Long term Fund based – Cash Credit	23.75	23.75	[ICRA]BBB- (Stable); ISSUER NOT CO-OPERATING*; withdrawn
Short term – Interchangeable	(2.00)^	(2.00)^	[ICRA]A3*; ISSUER NOT CO-OPERATING; withdrawn
Short term Non-Fund based	17.25	17.25	[ICRA]A3*; ISSUER NOT CO-OPERATING; withdrawn
Total	47.62	47.62	

*Instrument details are provided in Annexure-1

^sublimit of cash credit facility

Rationale

ICRA has withdrawn the long-term rating of [ICRA]BBB- (pronounced ICRA Triple B minus) (Stable);); ISSUER NOT CO-OPERATING and the short -term rating of [ICRA]A3 (pronounced ICRA A three); ISSUER NOT CO-OPERATING to the Rs. 47.62 crore¹ bank facilities of Cipy Polyurethanes Private Limited CPPL or the company)² on the basis of client's request and no objection certificate received from the banker.

Outlook

Not applicable

Key rating drivers

Key Rating drivers have not been captured as the rated instrument is being withdrawn.

Liquidity Position:

Liquidity position has not been captured as the rated instrument is being withdrawn.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable
Consolidation / Standalone	Standalone

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

About the company:

Cipy Polyurethanes Private Limited ('CPPL', 'The Company') was set up in 1976 by first generation entrepreneur Mr. Subash Cipy to manufacture two component polyurethane (PU) coatings for industrial use. The company started manufacturing industrial floor coatings in 1983 and derives ~70% of its business from floor coatings. CPPL is among the pioneers in the polyurethane coating industry in India. The company manufactures both epoxy as well polyurethane based floor coatings along with hybrid EPU (epoxy polyurethane) coating.

Key financial indicators

	FY2016 (Audited)	FY2017 (Audited)
Operating Income (Rs. crore)	104.03	109.75
PAT (Rs. crore)	1.01	8.31
OPBDIT/OI (%)	14.13%	15.49%
RoCE (%)	7.49%	26.75%
Total Debt/TNW (times)	0.48	0.32
Total Debt/OPBDIT (times)	1.23	0.88
Interest coverage (times)	5.79	7.27

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2020)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
					May 2019	November 2017	May 2016	-
1	Term Loan	Long Term	6.62	-	[ICRA]BBB-(Stable); ISSUER NOT CO-OPERATING; withdrawn	[ICRA]BBB-(Stable) ISSUER NOT CO-OPERATING	[ICRA]BBB-(Stable)	-
2	Cash Credit	Long Term	23.75	-	[ICRA]BBB-(Stable); ISSUER NOT CO-OPERATING; withdrawn	[ICRA]BBB-(Stable) ISSUER NOT CO-OPERATING	[ICRA]BBB-(Stable)	-
3	Interchangeable	Short Term	2.00^	-	[ICRA]A3; ISSUER NOT CO-OPERATING; withdrawn	[ICRA]A3 ISSUER NOT CO-OPERATING	[ICRA]A3	
4	Non-Fund based	Short Term	17.25	-	[ICRA]A3; ISSUER NOT CO-OPERATING; withdrawn	[ICRA]A3 ISSUER NOT CO-OPERATING	[ICRA]A3	

^sublimit of cash credit facility; the term loan has been closed in January 2018.

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	January 2012	10%	January 2018	6.62	[ICRA]BBB- (Stable); ISSUER NOT CO-OPERATING; withdrawn
NA	Cash Credit	-	-	-	23.75	[ICRA]BBB- (Stable); ISSUER NOT CO-OPERATING; withdrawn
NA	Interchangeable				2.00^	[ICRA]A3; ISSUER NOT CO-OPERATING; withdrawn
NA	Non-Fund based				17.25	[ICRA]A3; ISSUER NOT CO-OPERATING; withdrawn

^sublimit of cash credit facility

Source: Cipy Polyurethanes Private Limited

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

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