

July 27, 2020

Aerostructures Manufacturing India Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based – Term Loan	3.94	3.94	[ICRA]BB+(Negative); Withdrawn
Fund Based – CC	5.00	5.00	[ICRA]BB+(Negative); Withdrawn
Fund Based – Working Capital Facilities	55.00	55.00	[ICRA]A4+; Withdrawn
Non-fund Based – Working Capital Facilities	1.00	1.00	[ICRA]A4+; Withdrawn
Total	64.94	64.94	

*Instrument details are provided in Annexure-1

Rationale

The ratings assigned to Aerostructures Manufacturing India Private Limited (ASMIPL) have been withdrawn at the request of the company, based on the no-objection certificates provided by its bankers. ICRA does not have requisite information to suggest that the credit risk has changed since the time the rating was last reviewed.

Link to the last press release published on ICRA's website

<https://www.icra.in/Rationale/ShowRationaleReport?Id=89257>

Key rating drivers

The key rating drivers have not been captured as the ratings have been withdrawn.

Liquidity position

The liquidity position has not been captured as the ratings have been withdrawn.

Rating sensitivities

The rating sensitivities have not been captured as the ratings have been withdrawn.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	The ratings are based on the consolidated financial statements of Aequs Private Limited (APL)

About the company

ASMIPL was set up in February 2013 (commenced operations August 2013) as a part of APL's strategy to divest its aerostructure machining business into a separate company. The company primarily manufactures (predominantly

machining) aero-structural parts for international majors. The products mainly include aerospace interior structures, MLGB sub-assemblies, ribs and wing parts, door assemblies, etc. The company caters to reputed customers such as Airbus, Sabca, UTC Aerospace Systems (UTAS), Premium Aerotec Group and Magellan Aerospace. It currently has a manufacturing facility in a special economic zone (SEZ) developed by a Group company, Aequs SEZ Private Limited, in Belgaum (Karnataka).

Key financial indicators - APL (consolidated)

	FY2018 (I-GAAP)	FY2019 (Prov; Ind-AS)
Operating Income (Rs. crore)	544.5	651.9
PAT (Rs. crore)	-46.1	-75.5
OPBDIT/OI (%)	1.9%	5.4%
PAT/OI (%)	-8.5%	-11.6%
Total Outside Liabilities/Tangible Net Worth (times)	4.3	4.0
Total Debt/OPBDIT (times)	43.6	11.3
Interest Coverage (times)	0.4	1.0

Note: Numbers are not strictly comparable; the company has provided adjusted numbers for FY2018 as per Ind-AS for a like-to-like comparison

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					27-Jul-2020	21-Oct-2019	28-Sep-2018	-
1	Fund Based – Term Loan	Long Term	3.94	NA	[ICRA]BB+(Negative); Withdrawn	[ICRA]BB+(Negative)	[ICRA]BBB-(Negative)	-
2	Fund Based – CC	Long Term	5.00	NA	[ICRA]BB+(Negative); Withdrawn	[ICRA]BB+(Negative)	[ICRA]BBB-(Negative)	-
3	Fund Based – Working Capital Facilities	Short Term	55.00	NA	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A3	-
4	Non-fund Based – Working Capital Facilities	Short Term	1.00	NA	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A3	-

Amount in Rs. crore

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	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based – Term Loan	NA	NA	NA	3.94	[ICRA]BB+(Negative); Withdrawn
NA	Fund Based – CC	NA	NA	NA	5.00	[ICRA]BB+(Negative); Withdrawn
NA	Fund Based – Working Capital Facilities	NA	NA	NA	55.00	[ICRA]A4+; Withdrawn
NA	Non-fund Based – Working Capital Facilities	NA	NA	NA	1.00	[ICRA]A4+; Withdrawn

Source: ASM IPL

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Aerostructures Manufacturing India Private Limited	100.00%	Full Consolidation
Aequs Aerospace Private Limited	100.00%	Full Consolidation
Aequs Oil & Gas LLC, USA	95.00%	Full Consolidation
Aequs Aerospace LLC, USA	100.00%	Full Consolidation
Aequs Aerospace BV, Netherlands	100.00%	Full Consolidation
Aequs Aero Machine Inc., USA	100.00%	Full Consolidation
Aequs Aerospace Besancon SAS, France	100.00%	Full Consolidation
Aequs Holdings France SAS, France	100.00%	Full Consolidation
Aequs Aerospace France SAS, France	100.00%	Full Consolidation
Bernar SAS, France	100.00%	Full Consolidation
Aequs Aerospace Aubigny SAS, France	100.00%	Full Consolidation
Aequs Aerospace Cholet SAS, France	100.00%	Full Consolidation
AeroStructures Assemblies India Private Limited	74.00%	Equity Method
SQuAD Forging India Private Limited	50.00%	Equity Method
Aerospace Processing India Private Limited	50.00%	Equity Method

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