March 10, 2023

Apollo Tricoat Tubes Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based (FB) - Term Loan	58.0	58.0	[ICRA]AA (Stable); Withdrawn
Fund based/ Non fund-based limits - Working Capital Facilities	140.0	140.0	[ICRA]AA (Stable)/[ICRA]A1+; Withdrawn
Non Fund based limits	75.0	75.0	[ICRA]A1+; Withdrawn
Unallocated	8.0	8.0	[ICRA]AA (Stable)/[ICRA]A1+; Withdrawn
Total	**281.0**	**281.0**	

**Instrument details are provided in Annexure-I*

Rationale

The ratings assigned to the bank facilities of Apollo Tricoat Tubes Limited (ATTL) have been withdrawn, post its amalgamation into APL Apollo Tubes Limited (AATL) (rated [ICRA]AA(Stable)/[ICRA]A1+), in accordance with ICRA's withdrawal policy. ICRA has not reviewed the rating at the time of withdrawal, as the company now ceases to exist. The key rating drivers, liquidity position, rating sensitivities, and key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link**:** **Click here**

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Approach: Consolidation Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA had been combining the business and financial profiles of the various Group entities (as mentioned in Annexure-2), given the close business, financial and managerial linkages among these. Subsequent to the NCLT order dated October 14, 2022, ATTL has been merged with AATL with April 01, 2021 as the appointed date for the merger.

About the company

Apollo Tricoat Tubes Limited (ATTL), was a part of the APL Apollo group as a 55.82% subsidiary of SLMUL, which in turn was a 100% subsidiary of APL Apollo Tubes Limited (AATL). ATTL had an installed capacity of 250,000 MTPA at Bengaluru and 100,000 TPA at Dadri (added in FY2021). On February 27, 2021, AATL had announced the merger of SLMUL and ATTL with itself, subject to the approval from shareholders, creditors, NCLT and other statutory authorities, as may be required, with April 1, 2021 as the appointed date for the merger . On October 14, 2022, the Hon'ble National Company Law Tribunal, New Delhi Bench pronounced the Order approving the aforesaid Scheme of Amalgamation and Arrangement.

APL Apollo Tubes Limited (AATL) was incorporated in February 1986 as Bihar Tubes Private Limited with its headquarters in Delhi-NCR. AATL is the largest ERW pipe/ structural steel tube manufacturer in India. The company operates 11 manufacturing facilities across India with a total installed capacity of 2.65 mtpa. The Group's product offerings include 1,100+ varieties for structural steel applications. These tubes have a wide spectrum of usages in urban infrastructure and real estate, rural housing, commercial construction, greenhouse structures and engineering applications

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2023)					Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount outstanding (Rs. crore)*	Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021		Date & rating in FY2020
					Mar 10, 2023	Nov 17, 2022	Nov 18, 2021	Mar 08, 2021	Dec 31, 2020	Nov 22, 2019
1	Fund-based (FB) - Term Loan	Long Term	58.0	48.96	[ICRA]AA (Stable); Withdrawn	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]A+ %	[ICRA]A+ (Positive)	[ICRA]A (Stable)
2	Fund based/ Non fund-based limits - Working Capital Facilities	Long Term/short term	140.0	-	[ICRA]AA (Stable)/ [ICRA]A1+; Withdrawn	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]A+ %/ [ICRA]A1 %	[ICRA]A+ (Positive)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1
3	Non Fund based limits	Short Term	75.0	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+	-	-	-
4	Unallocated	Long/Short Term	8.0	-	[ICRA]AA (Stable)/ [ICRA]A1+; Withdrawn	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	-	-	-

**Outstanding as on March 31, 2022   % under watch with positive implications*

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based (FB) - Term Loan	Simple
Fund based/ Non fund-based limits - Working Capital Facilities	Simple
Non Fund based limits	Very Simple
Unallocated	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: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Fund-based (FB) - Term Loan**	FY2018	7.52%	FY2026	58.0	[ICRA]AA (Stable); Withdrawn
NA	**Fund based/ Non fund-based limits - Working Capital Facilities**	NA	NA	NA	140.0	[ICRA]AA (Stable)/[ICRA]A1+; Withdrawn
NA	**Non Fund based limits**	NA	NA	NA	75.0	[ICRA]A1+; Withdrawn
NA	**Unallocated**	NA	NA	NA	8.0	[ICRA]AA (Stable)/[ICRA]A1+; Withdrawn

Source: Company and Group Financials

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership#	Consolidation Approach
APL Apollo Tubes Limited	100.00%	Full Consolidation
Shri Lakshmi Metal Udyog Limited (SLMUL)*	100.00%	Full Consolidation
Apollo Metalex Private Limited	100.00%	Full Consolidation
Apollo Tricoat Tubes Limited *	55.82%	Full Consolidation
Blue Ocean Projects Private Limited	100.00%	Full Consolidation
APL Apollo Building Products Private Limited	100.00%	Full Consolidation
APL Apollo Tubes FZE.	100.00%	Full Consolidation

Source: Company and Group Financials. # Ownership as on March 31, 2022

Note: ICRA has taken a consolidated view of the parent (AATL), its subsidiaries and step-subsidiaries while assigning the ratings

** Subsequent to the NCLT order dated October 14, 2022, ATTL and SLMUL have been merged with AATL with April 01, 2021, as the appointed date for the merger.*

ANALYST CONTACTS

Jayanta Roy
+91 33 7150 1120
jayanta@icraindia.com

Kaushik Das
+91 33 71501100
kaushikd@icraindia.com

Vipin Jindal
+91 12 4454 5355
vipin.jindal@icraindia.com

Devanshu Gupta
+91 9818 994824
devanshu.gupta@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

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ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches