October 07, 2020

Apollo Micro Systems Limited: Rating Withdrawn

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based-Term Loan	2.00	2.00	[ICRA]BBB- (Negative) Withdrawn
Fund based- Working Capital Facilities	92.50	92.50	
Non-fund based-Working Capital Facilities –BG	17.50	17.50	
Non-fund based-Working Capital Facilities –LC	30.00	30.00	[ICRA]A3 Withdrawn
Total	**142.00**	**142.00**	

**Instrument details are provided in Annexure-1*

Rating action

The ratings of [ICRA]BBB- (Negative) / [ICRA]A3 assigned to Rs. 142 crore bank limits of Apollo Micro Systems Limited have been withdrawn at the request of the company and no-objection received from the bankers. The rating withdrawal is in accordance with ICRA's Policy on Withdrawal and Suspension. ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

Liquidity Position:

Not captured as the rating is being withdrawn.

Rating sensitivities:

Not captured as the rating is being withdrawn.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

About the company:

AMSL, started as a proprietary concern in 1985 and incorporated as a private limited company in March 1997 by Mr. Karunakar Reddy, is involved in electronic system design and manufacturing (ESDM. It provides electric and electronic hardware and software solutions for mission critical applications to defence, aerospace, navy, and home-land security. AMSL was converted into a public limited company and came out with an IPO in January 2018. The company's manufacturing unit is located in Hyderabad with its lab area confirming with electrostatic discharge requirements with ESD-safe furniture and controlled environment. AMSL is ISO 9001:2015 and CEMILAC certified.

Key financial indicators (Audited) :

	FY2019	FY2020
Operating Income (Rs. crore)	263.0	245.9
PAT (Rs. crore)	29.1	14.0
OPBDIT/ OI (%)	18.4%	19.8%
RoCE (%)	13.1%	11.1%
Total Debt/ TNW (times)	0.4	0.3
Total Debt/ OPBDIT (times)	2.2	1.7
Interest Coverage (times)	3.7	3.2

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for last three years:

All figures in Rs. crore

S. No.	Instrument	Current Rating (FY2021) Type	Amount Rated (Rs. crore)	Amount Outstanding	Date & Rating 07 October 2020	Chronology of Rating History for the past 3 years @ Date & Rating in FY20 16 July 2019	Date & Rating in FY19 01 May 2018	Date & Rating in FY18 -
1	Term Loans	Long-term	2.00	0	**[ICRA]BBB- (Negative) Withdrawn**	[ICRA]BBB- (Negative)	[ICRA]BBB (Stable)	-
2	Fund-based	Long-term	92.50	NA	**[ICRA]BBB- (Negative) Withdrawn**	[ICRA]BBB- (Negative)	[ICRA]BBB (Stable)	
3	Non fund-based	Long-term	17.50		**[ICRA]BBB- (Negative) Withdrawn**	[ICRA]BBB- (Negative)	[ICRA]BBB (Stable)	
4	Unallocated	Short-term		NA	**[ICRA]BBB- (Negative) Withdrawn**	[ICRA]BBB- (Negative)	[ICRA]BBB (Stable)	
5	Non-Fund-based	Short-term	30.00	NA	**[ICRA]A3 Withdrawn**	[ICRA]A3	[ICRA]A3+	

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 Loans	June - 2013	NA	September 2019	2.00	[ICRA]BBB- (Negative)
NA	Fund-based	NA	NA	NA	92.50	[ICRA]BBB- (Negative)
NA	Non fund-based	NA	NA	NA	17.50	[ICRA]BBB- (Negative)
NA	Non-Fund-based	NA	NA	NA	30.00	[ICRA]A3

Source: AMSL

Annexure-2: List of companies considered for consolidated analysis: Not applicable

ANALYST CONTACTS

Ravichandran K
+91 44 4596 4301
ravichandran@icraindia.com

Srinivasan R
+91 44 4596 4315
r.srinivasan@icraindia.com

Nithya Debbadi
+91 40 4067 651
nithya.debbadi@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:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
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