

January 14, 2020

APPL Industries Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Cash Credit	104.00	104.00	[ICRA]BBB- (Stable); Rating withdrawn
Non-fund Based Limits	10.00	10.00	[ICRA]A3; Rating withdrawn
Term Loans	86.00	86.00	[ICRA]BBB- (Stable); Rating withdrawn
Total	200.00	200.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the long-term rating of [ICRA]BBB- (Stable) and short-term rating of [ICRA]A3 assigned to the bank facilities of APPL Industries Limited (APPL). There is no incremental information to suggest that the credit risk has changed since the last review. The rating is withdrawn in accordance with ICRA's policy on withdrawal and suspension at the request of the company, based on the no objection certificate received from the issuing bank.

For key rating drivers, liquidity and sensitivities, [click here](#).

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 standalone financial profile of the company.

About the company

APPL, incorporated in 1990, manufactures engineered thermoplastic compounds, which are used for manufacturing automotive components and white goods. The company produces various types of thermoplastics such as PP, nylon, polycarbonate and acrylonitrile butadiene styrene compounds, which find application in bumpers, instrument panels, light housing bodies, door trims and various other automobile parts. The company has six manufacturing facilities in India (of which the Rudrapur, Uttarakhand, plant was rented out and its machines were transferred to the Manesar, Haryana, plant) with a total production capacity of 72,000 MTPA. The company also undertook capex at Dahej (capacity expandable to 10,000 MTPA), for which commercialisation is expected to begin from Q4 FY2020.

Key financial indicators (audited)

	FY2018	FY2019 (Provisional)
Operating Income (Rs. crore)	416.5	433.3
PAT (Rs. crore)	8.4	13.7
OPBDIT/OI (%)	6.1%	6.4%
RoCE (%)	11.1%	12.3%
Total Outside Liabilities/Tangible Net Worth (times)	1.6	1.5
Total Debt/OPBDIT (times)	4.6	4.8
Interest Coverage (times)	2.0	2.2
DSCR	1.4	1.5

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Rating (FY2020)					Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding*	Current Rating	Earlier Rating	FY2019	FY2018	FY2017
					14-Jan-2020	25-Jul-2019	01-Feb-2019	29-Jan-2018	28-Dec-2016
1	Cash Credit	Long Term	104.00		[ICRA]BBB-(Stable); rating withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Positive)	[ICRA]BBB-(Positive)	[ICRA]BBB-(Stable)
2	Non-fund Based Limits	Short Term	10.00		[ICRA]A3; rating withdrawn	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]A3
3	Term Loan	Long Term	86.00	64.53	[ICRA]BBB-(Stable); rating withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Positive)	[ICRA]BBB-(Positive)	[ICRA]BBB-(Stable)
4	Unallocated	Long Term	-		-	-	-	-	[ICRA]BBB-(Stable)

Amount in Rs. Crore; *As on March 31, 2019

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	Cash Credit	NA	NA	NA	104.00	[ICRA]BBB-(Stable) withdrawn
NA	Non-fund Based Limits	NA	NA	NA	10.00	[ICRA]A3
NA	Term Loan 1	FY2017	11.00%	FY2024	7.68	[ICRA]BBB-(Stable) withdrawn
NA	Term Loan 2	FY2018	9.60%	FY2025	5.67	[ICRA]BBB-(Stable) withdrawn
NA	Term Loan 3	FY2018	9.60%	FY2025	14.65	[ICRA]BBB-(Stable) withdrawn
NA	Term Loan 4	FY2018	9.90%	FY2025	18.75	[ICRA]BBB-(Stable) withdrawn
NA	Term Loan 5	FY2017	9.75%	FY2024	15.00	[ICRA]BBB-(Stable) withdrawn
NA	Term Loan 6	FY2019	9.90%	FY2026	24.25	[ICRA]BBB-(Stable) withdrawn

Source: APPL

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

Analyst Contacts

Subrata Ray

+91 22 6114 3408

subrata@icraindia.com

Shamsher Dewan

+91 124 4545 328

shamsherd@icraindia.com

Rohan Kanwar Gupta

+91 124 4545 808

rohan.kanwar@icraindia.com

Pradyumna Choudhary

+91 124 4545 342

pradyumna.choudhary@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

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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

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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