

APL Apollo Tubes Ltd

December 10, 2019

Ratings

Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debentures (NCDs)	-	-	Withdrawn

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the outstanding ratings of 'CARE AA-/Stable'; (Double A minus; Outlook: Stable) assigned to the Non-Convertible Debentures of APL Apollo Tubes Ltd with immediate effect. The above action has been taken at the request of APL Apollo Tubes Ltd and 'No Dues Certificate' received from the Debenture Holder that have extended the facilities rated by CARE.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

APL was incorporated as Bihar Tubes Pvt Ltd on February 24, 1986, and started its operations with a unit at Sikandrabad (Uttar Pradesh) to manufacture electric resistance welding (ERW) pipes with a capacity of 6,000 MT. APL is the flagship company of the Sudesh Group. It acquired AMPL in June 2007 and SLMUL in April 2008 to increase its capacity and diversify its geographical presence. In FY10 (refers to the period April 1 to March 31), the company commissioned its second plant at Hosur, Tamil Nadu, with a capacity of 200,000 metric tonnes per annum (MTPA) and its name was changed to APL Apollo Tubes Ltd. In November 2010, it acquired LLPL. APL has an installed capacity of 25.50 lakh MT on consolidated basis as on June 30, 2019 post acquisition of key strategic stake during Q1FY20. Its product range includes MS tubes, galvanized and pregalvanized tubes and hollow sections in the ERW segment. The company's products find application in construction, water treatment and transportation, electrical pipes, irrigation and plumbing. The major raw materials used by the company are hot rolled (HR) and galvanized coils and zinc.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	5,323	7,153
PBILDIT	374	396
PAT	158	148
Overall gearing (times)	1.15	1.07
Interest coverage (times)	4.68	3.54

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures- Non Convertible Debentures	INE702C07016	September 28, 2015	11.50% p.a	September 28, 2019	0.00	Withdrawn

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Working Capital Limits	LT	445.00	CARE AA-; AA-; Stable	1)CARE AA-; Stable (04-Oct-19) 2)CARE AA-; Stable (03-Apr-19)	1)CARE AA-; Stable (04-Apr-18)	-	1)CARE A+; Stable (25-Jan-17) 2)CARE A+ (06-Oct-16)
2.	Non-fund-based-Short Term	ST	130.00	CARE A1+	1)CARE A1+ (04-Oct-19) 2)CARE A1+ (03-Apr-19)	1)CARE A1+ (04-Apr-18)	-	1)CARE A1+ (25-Jan-17) 2)CARE A1+ (06-Oct-16)
3.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE AA-; Stable (04-Oct-19) 2)CARE AA-; Stable (03-Apr-19)	1)CARE AA-; Stable (04-Apr-18)	-	1)CARE A+; Stable (25-Jan-17) 2)CARE A+ (06-Oct-16)
4.	Commercial Paper	ST	-	-	-	1)Withdrawn (04-Apr-18)	-	1)CARE A1+ (25-Jan-17)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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