

**RATING RATIONALE**

**Appu International**

**Brickwork Ratings has downgraded the Ratings for the Bank Loan facilities of ₹ 18 Crores of Appu International based on best available information, as the issuer did not cooperate.**

**Particulars**

Facilities	Amount (₹ Crores)		Tenure	Rating#	
	Previous	Present		Previous (June, 2019)	Present
<b>Fund Based</b>	15	15	Long Term	<b>BWR BB (Stable)</b>	<b>BWR BB- (Stable) Downgrade Issuer Not Cooperating</b>
<b>Fund Based</b>	3	3	Short Term	<b>BWR A4+</b>	<b>BWR A4 Downgrade Issuer Not Cooperating</b>
<b>Total</b>	18	18	INR Eighteen Crores Only		

#Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*Issuer did not cooperate; based on best available information

Details of Bank facilities is provided in Annexure-I

**RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION**

**Downgraded the long term rating to BWR BB- (Stable) (Issuer not Cooperating) and short term rating to BWR A4 (Issuer not Cooperating) based on best available information as the issuer did not cooperate.**

The rating was due for a review in June, 2020. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the Company's financial performance. Besides, No Default Statement has not been submitted by the client every month, despite follow up. BWR has downgraded the long term rating to BWR BB- (Stable) (Issuer not Cooperating) and short term rating to BWR A4 (Issuer not Cooperating).



**LIMITATIONS OF THE RATING :** Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

**COMPANY PROFILE** [As available on 27 June, 2019]

Appu International (AI) was started in the year 1992 by its proprietor Mrs. Meenu Aul in the city of Ludhiana, Punjab. The firm is into the manufacturing of cycle components like frame, fork, handle, basket, chain wheel, seat, tubular and sheet auto components. The firm is a leading supplier to various top cycle manufacturers like Hero Cycles Ltd, Atlas Cycles Ltd, TI Cycles Ltd etc. The firm has two manufacturing units in Ludhiana which together have a manufacturing capacity of producing 2.50 Lakh Handles, 1.50 Lakh Seats, 1.50 Lakh Chain wheels, 1.25 Lakh Frames, 1.50 Lakhs Forks, 1.20 Lakh Baskets and 1.20 Lakh Dress guards yearly.

**KEY FINANCIAL INDICATORS** (in INR Cr) [As available on 27 June, 2019]

Key Parameters	Units	2018	2017
Result Type		Audited	Audited
Total Operating Income	₹ Cr	89.73	81.76
EBITDA	₹ Cr	3.88	3.25
PAT	₹ Cr	1.41	1.55
Tangible Net Worth	₹ Cr	16.23	14.34
TOL/Tangible Net Worth	Times	2.39	2.54
Current Ratio	Times	1.56	2.11

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY**

Not Available

## RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating (July, 2020)			Rating History		
	Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating	27 June 2019	2018	2017
<b>Fund Based</b>	Long Term	15	<b>BWR BB-</b> (Stable) Downgrade <b>Issuer Not Cooperating</b>	<b>BWR BB</b> (Stable)	-	-
<b>Fund Based</b>	Short Term	3	<b>BWR A4</b> Downgrade <b>Issuer Not Cooperating</b>	<b>BWR A4+</b>		
<b>Total</b>		<b>18</b>	<b>₹ Eighteen Crores Only</b>			

\*\*Issuer did not cooperate; based on best available information

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts	Investor and Media Relations
<p><b>Raushan Kedia</b> Rating Analyst Board: +91 11 2341 2232; Ext: 109 <a href="mailto:aayush.v@brickworkratings.com">aayush.v@brickworkratings.com</a></p> <p><b>Satvinder Kumar Gakhar</b> Associate Director - Ratings Board: +91 11 2341 2232 <a href="mailto:satvinder.g@brickworkratings.com">satvinder.g@brickworkratings.com</a></p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 <a href="mailto:liena.t@brickworkratings.com">liena.t@brickworkratings.com</a></p>

**ANNEXURE I**

**Appu International  
Details of Bank Facilities rated by BWR**

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	<b>Kotak Mahendra Bank</b>	CC	10	-	10
2.		WCDL (Sub-limit of CC)	(10)	-	(10)
3.		Term Loans	5	-	5
4.		SIF	-	3	3
<b>TOTAL</b>					<b>18</b>

**Total Rupees Eighteen Crores Only.**

**For print and digital media** The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

**About Brickwork Ratings:** Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

**DISCLAIMER** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reason.