



# A.P. Steels and Alloys (APSA)

**July 06, 2015**

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	6.40	SMERA B-/Stable (assigned)
Term Loan	5.90	SMERA B-/Stable (assigned)
Letter of Credit	5.00	SMERA A4 (assigned)

SMERA has assigned a long-term rating of '**SMERA B-**' (read as **SMERA single B minus**) and short-term rating of **SMERA A4** (read as **SMERA A four**) to the abovementioned bank facilities of A.P. Steels and Alloys (APSA). The rating is constrained by APSA's declining revenue and incurrence of losses in an intensively competitive sector of the iron and steel industry. The ratings are further constrained by firm's exposure to customer concentration risk. However, the rating derives comfort from the three decade experienced management.

### Outlook: Stable

SMERA believes that the outlook on APSA's business profile would remain "stable" factoring the rich experience of the promoter. The outlook maybe revised to negative in case of further incurrence of losses resulting in deterioration of networth and in case of delays in project completion. The outlook maybe revised to positive in case of firm achieves sustained improvement in profitability and debt protection metrics with commencement of commercial operations from the current project.

### About the Company

Established in 2007, APSA is a Trichy-based partnership engaged in manufacturing of iron ingots. The firm caters (100 per cent) to the needs of its group entity A.P. Steels. The day to day operations of the firm are managed by Mr. Purushothaman, the chief executive officer of the firm.

For FY2013-14, firm reported loss of Rs. 1.11 crores on operating income of Rs. 8.40 crores as compared with loss of Rs. 0.95 crores on operating income of Rs. 11.76 crores for FY2012-13.

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SMERA RATINGS LIMITED

# A.P. Steels and Alloys (APSA)

*Rating  
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