

## Press Release

### Avon Tubetech Private Limited

November 25, 2020



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 67.71 Cr #
<b>Long Term Rating</b>	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

\*The issuer did not co-operate; based on best available information.

Acuité has downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and review the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.67.71 crore bank facilities of Avon Tubetech Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Incorporated in 1997, Avon Tubetech Private Limited (ATPL) is a Delhi-based private limited company engaged in manufacturing of specialized precision pipes (electric resistance welded, CDW, and cold-drawn seamless tubes) catering majorly to the automobile industry. Its manufacturing units are in Palwal Tatarpur, where ERW tubes are manufactured with a capacity of 3500 to 4000 tonnes per month and Palwal Bhagola, where CDW, CBQ & CDS tubes are manufactured with a capacity of 2500 to 3000 tons per month. ATPL is an authorized supplier of some of the reputed companies such as Mahindra & Mahindra, Maruti Suzuki and Munjal Showa Limited.

#### Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

#### Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

#### About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

#### Status of non-cooperation with previous CRA (if applicable)

None

#### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
16-September-2019	Term Loan-1	Long Term	0.49	ACUITE BB+ Issuer not co-operating*
	Term Loan-2	Long Term	0.99	ACUITE BB+ Issuer not co-operating*
	Term Loan-3	Long Term	4.34	ACUITE BB+ Issuer not co-operating*
	Term Loan-4	Long Term	3.50	ACUITE BB+ Issuer not co-operating*
	Term Loan-5	Long Term	0.37	ACUITE BB+ Issuer not co-operating*
	Term Loan-6	Long Term	0.80	ACUITE BB+ Issuer not co-operating*
	Term Loan-7	Long Term	0.39	ACUITE BB+ Issuer not co-operating*
	Term Loan-8	Long Term	3.40	ACUITE BB+ Issuer not co-operating*
	Term Loan-9	Long Term	2.13	ACUITE BB+ Issuer not co-operating*
	Term Loan-10	Long Term	0.46	ACUITE BB+ Issuer not co-operating*
	Term Loan-11	Long Term	1.34	ACUITE BB+ Issuer not co-operating*
	Term Loan-12	Long Term	0.15	ACUITE BB+ Issuer not co-operating*
	Cash Credit-1	Long Term	8.00^^^	ACUITE BB+ Issuer not co-operating*
	Cash Credit-2	Long Term	12.50^	ACUITE BB+ Issuer not co-operating*
	Letter of Credit-1	Short Term	1.50	ACUITE BB+ Issuer not co-operating*
	Letter of Credit-2	Short Term	0.35	ACUITE BB+ Issuer not co-operating*
	Letter of Credit-3	Short Term	0.50	ACUITE BB+ Issuer not co-operating*
	Bank Guarantee	Short Term	21.50^^	ACUITE A4+ Issuer not co-operating*
	Bill Discounting (LC)	Short Term	1.88	ACUITE A4+ Issuer not co-operating*
	Proposed Bank Facility	Short Term	2.00	ACUITE A4+ Issuer not co-operating*
	Proposed Cash Credit	Short Term	1.12	ACUITE A4+ Issuer not co-operating*
16 July, 2018	Term Loan-1	Long Term	0.49	ACUITE BB+/Stable (Assigned)
	Term Loan-2	Long Term	0.99	ACUITE BB+/Stable (Assigned)
	Term Loan-3	Long Term	4.34	ACUITE BB+/Stable (Assigned)
	Term Loan-4	Long Term	3.50	ACUITE BB+/Stable (Assigned)
	Term Loan-5	Long Term	0.37	ACUITE BB+/Stable (Assigned)
	Term Loan-6	Long Term	0.80	ACUITE BB+/Stable (Assigned)
	Term Loan-7	Long Term	0.39	ACUITE BB+/Stable

				(Assigned)
	Term Loan-8	Long Term	3.40	ACUITE BB+/Stable (Assigned)
	Term Loan-9	Long Term	2.13	ACUITE BB+/Stable (Assigned)
	Term Loan-10	Long Term	0.46	ACUITE BB+/Stable (Assigned)
	Term Loan-11	Long Term	1.34	ACUITE BB+/Stable (Assigned)
	Term Loan-12	Long Term	0.15	ACUITE BB+/Stable (Assigned)
	Cash Credit-1	Long Term	8.00 <sup>^^^</sup>	ACUITE BB+ / Stable (Reaffirmed)
	Cash Credit-2	Long Term	12.50 <sup>^</sup> (Enhanced from Rs.2.00 crore)	ACUITE BB+ / Stable (Reaffirmed)
	Letter of Credit-1	Short Term	1.50	ACUITE A4+ (Assigned)
	Letter of Credit-2	Short Term	0.35	ACUITE A4+ (Assigned)
	Letter of Credit-3	Short Term	0.50	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	21.50 <sup>^^</sup> (Enhanced from Rs.2.50 crore)	ACUITE A4+ (Reaffirmed)
	Bill Discounting (LC)	Short Term	1.88	ACUITE A4+ (Assigned)
	Proposed Bank Facility	Short Term	2.00	ACUITE A4+ (Assigned)
	Proposed Cash Credit	Short Term	1.12	ACUITE A4+ (Assigned)
27 March, 2017	Cash Credit	Long Term	10.00	ACUITE BB+/Stable (Assigned)
	Proposed Long Term Loan	Long Term	2.50	ACUITE A4+ (Assigned)

<sup>^</sup>PCL/PCFC/FDBP/FUBP/EBRD (sub-limit to CC) is Rs. 2.50 crore.

<sup>^</sup>WCDL (sub-limit to CC) is Rs. 5.00 crore.

<sup>^</sup>Invoice bill discounting (sub-limit to CC) is Rs. 10.00 crore.

<sup>^^</sup>FBG/LOU for buyer's credit (sub-limit to LC) is Rs. 3.47 crore.

<sup>^^^</sup>Sub limit to LC Rs. 7.00 crore.

#### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan-1	Not Applicable	Not Applicable	Not Applicable	0.49	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-2	Not Applicable	Not Applicable	Not Applicable	0.99	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-3	Not Applicable	Not Applicable	Not Applicable	4.34	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*

Term Loan-4	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-5	Not Applicable	Not Applicable	Not Applicable	0.37	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-6	Not Applicable	Not Applicable	Not Applicable	0.80	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-7	Not Applicable	Not Applicable	Not Applicable	0.39	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-8	Not Applicable	Not Applicable	Not Applicable	3.40	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-9	Not Applicable	Not Applicable	Not Applicable	2.13	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-10	Not Applicable	Not Applicable	Not Applicable	0.46	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-11	Not Applicable	Not Applicable	Not Applicable	1.34	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan-12	Not Applicable	Not Applicable	Not Applicable	0.15	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Cash Credit-1	Not Applicable	Not Applicable	Not Applicable	8.00^^^	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Cash Credit-2	Not Applicable	Not Applicable	Not Applicable	12.50^	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Letter of Credit-1	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE A4+ Issuer not co-operating*
Letter of Credit-2	Not Applicable	Not Applicable	Not Applicable	0.35	ACUITE A4+ Issuer not co-operating*
Letter of Credit-3	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	21.50^^	ACUITE A4+ Issuer not co-operating*
Bill Discounting (LC)	Not Applicable	Not Applicable	Not Applicable	1.88	ACUITE A4+ Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.12	ACUITE A4+ Issuer not co-operating*

\*The issuer did not co-operate; based on best available information.

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#### **About Acuité Ratings & Research:**

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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