

Press Release

Avon Tubetech Private Limited

June 06, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	33.50	ACUITE BB Downgraded Issuer not co-operating*	-
Bank Loan Ratings	34.21	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	67.71	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB**' (read as **ACUITE Double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and has reaffirmed 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 (ATPL). This rating is now an indicative rating and is based on best available information. The rating has been downgraded on account of information risk.

About the Company

Incorporated in 1997, Avon Tubetech Private Limited (ATPL) is a Delhi based private limited company engaged in manufacturing of electric resistance welded, CDW, and cold-drawn seamless tubes majorly for automobile industry. Its manufacturing units are in Palwal Tatarpur and Palwal Bhagola where ERW, CDW, CBQ & CDS tubes are manufactured with an installed capacity of 42000 metric ton per annum. The company is promoted by Mr. Sunil Mahajan, Mr. Muni Lal Gupta and Mr. Ashwani Mahajan.

Non-cooperation by the issuer/borrower

Acuite 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. Acuite believes that information risk is a critical component in such ratings, and non - cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable.

Other Factors affecting Rating

None.

Key Financials:

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

Status of non-cooperation with previous CRA

None.

Any other information

None.

Applicable Criteria

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Mar 2021	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Letter of Credit	Short Term	10.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	2.21	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	12.50	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Letter of Credit	Short Term	21.50	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	14.00	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Term Loan	Long Term	5.00	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Cash Credit	Long Term	8.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.46	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.99	ACUITE BB (Downgraded and Issuer not co-operating*)

25 Nov 2020	Cash Credit	Long Term	12.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Short Term	2.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	3.40	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.80	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	3.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	0.35	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	0.49	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.34	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.34	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	1.50	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	1.88	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	21.50	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	2.13	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.37	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.15	ACUITE BB (Downgraded and Issuer not co-operating*)
		Short		
	Proposed Cash Credit	Term	1.12	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	0.50	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	0.39	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	21.50	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	4.34	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.99	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	3.50	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Long Term	0.50	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Long Term	1.50	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.37	ACUITE BB+ (Issuer not co-operating*)
	Proposed Bank Facility	Short Term	2.00	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	1.88	ACUITE A4+ (Issuer not co-operating*)
	Proposed Cash Credit	Short Term	1.12	ACUITE A4+ (Issuer not co-operating*)

16 Sep 2019	Term Loan	Long Term	0.80	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.39	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	12.50	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	3.40	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	1.34	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.46	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.49	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	2.13	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Long Term	0.35	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.15	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	8.00	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.49	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.99	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	4.34	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	3.50	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.37	ACUITE BB+ Stable (Assigned)
06 Jul 2018	Term Loan	Long Term	0.80	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.39	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	3.40	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	2.13	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.46	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	1.34	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.15	ACUITE BB+ Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BB+ Stable (Reaffirmed)
	Cash Credit	Long Term	12.50	ACUITE BB+ Stable (Reaffirmed)
	Letter of Credit	Short Term	1.50	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	0.35	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	0.50	ACUITE A4+ (Assigned)

	Bank Guarantee	Short Term	21.50	ACUITE A4+ (Reaffirmed)
	Bills Discounting	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)
13 Jun 2018	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Assigned)
	Letter of Credit	Short Term	2.50	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Federal Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4+ Reaffirmed Issuer not co-operating*
Federal Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.50	ACUITE BB Downgraded Issuer not co-operating*
Standard Chartered Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB Downgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE BB Downgraded Issuer not co-operating*
Standard Chartered Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.21	ACUITE A4+ Reaffirmed Issuer not co-operating*
Federal Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	21.50	ACUITE A4+ Reaffirmed Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	5.00	ACUITE BB Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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