



Press Release
Avon Tubetech Private Limited
August 23, 2023

Rating Reaffirmed and Issuer not co-operating

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

Rating Rationale

Acuité has reaffirmed the long term rating '**ACUITE BB**' (read as **ACUITE double B**) and the short term rating at '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 67.71 crore bank facilities of Avon Tubetech Private Limited (ATPL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

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 and Mr. Ashwani Mahajan.

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 the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation 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 Acuité'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). 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.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	328.86	233.23
PAT	Rs. Cr.	3.11	2.64
PAT Margin	(%)	0.95	1.13
Total Debt/Tangible Net Worth	Times	1.38	1.06
PBDIT/Interest	Times	2.02	1.71

Status of non-cooperation with previous CRA

Not Applicable

Any other information

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

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Jun 2022	Cash Credit	Long Term	12.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	14.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	10.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	21.50	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	2.21	ACUITE A4+ (Issuer not co-operating*)
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)
25 Nov	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*)
	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*)
		Long		ACUITE BB (Downgraded and Issuer not co-operating*)

2020	Term Loan	Term	4.34	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*)
	Proposed Cash Credit	Short 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*)

Annexure - Details of instruments rated

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