

Press Release

Avon Containers Private Limited

December 30, 2019



Rating Update

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|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs. 31.50 Cr. # |
| Long Term Rating | ACUITE BB- Downgraded; Issuer not co-operating* |
| Short Term Rating | ACUITE A4 Downgraded; 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 minus) from "**ACUITE BB**" (read as ACUITE double B) and the short term rating to "**ACUITE A4**" (read as ACUITE A four) from "**ACUITE A4+**" (read as ACUITE A four plus) on the Rs.31.50 crore bank facilities of Avon Containers Private Limited. This rating is now an indicative rating and is based on best available information.

ACPL is a Haryana based company incorporated in 1991 by Mr. Umesh Aggarwal and Mr. Gaurav Aggarwal. The company is primarily engaged in manufacturing of corrugated boxes mainly catering to the automobile, electronic goods company and also solar panels manufacturing companies. The company procures its main raw material i.e. kraft paper from New Zealand and domestic suppliers located in Gujarat and Uttar Pradesh. The company has four manufacturing units located in Haryana with combined installed capacity of 7,000 Metric tonnes per annum.

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 is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Acuité 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.

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 attempts.

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

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.

Rating History (Up to last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|------------|------------------|------------------------------|
| 17-Oct-2018 | Cash Credit | Long Term | 11.00 | ACUITE BB/ Stable (Assigned) |
| | Term Loan | Long Term | 0.17 | ACUITE BB/ Stable (Assigned) |
| | Term Loan | Long Term | 5.94 | ACUITE BB/ Stable (Assigned) |
| | Term Loan | Long Term | 8.35 | ACUITE BB/ Stable (Assigned) |
| | Letter of Credit | Short Term | 1.00 | ACUITE A4+ (Assigned) |
| | Proposed Cash Credit | Long Term | 5.04 | ACUITE BB/ Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|--|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 11.00 | ACUITE BB- Downgraded; Issuer Not Cooperating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 0.17 | ACUITE BB- Downgraded; Issuer Not Cooperating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 5.94 | ACUITE BB- Downgraded; Issuer Not Cooperating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 8.35 | ACUITE BB- Downgraded; Issuer Not Cooperating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 1.00 | ACUITE A4 Downgraded; Issuer Not Cooperating* |
| Proposed Cash Credit | Not Applicable | Not Applicable | Not Applicable | 5.04 | ACUITE BB- Downgraded; Issuer Not Cooperating* |

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

Contacts

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|--|---|
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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings 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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