

Press Release

Avanta Engineering Private Limited

September 16, 2021

Ratings Withdrawn



Total Bank Facilities Rated#	Rs.19.46 Cr.
Long Term Rating	ACUITE BB- (Downgraded; Indicative & Withdrawn)

#Refer Annexure for details

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

Rating Rationale

Acuité has downgraded and withdrawn the long term rating to **'ACUITE BB-' (read as ACUITE double B minus)** from **'ACUITE BB' (read as ACUITE double B)** on the Rs.19.46 crore bank facilities of Avanta Engineering Private Limited (AEPL). The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and No Dues Certificate (NDC) received from the banker.

About the Company

Incorporated in 2015, Avanta Engineering Private Limited (AEPL) is a Bhilai, Chhattisgarh based company, engaged in the manufacturing of galvanized steel wires with an installed capacity of 26200 MTPA. The same finds application in infrastructure, defense and agricultural sector. The company procures raw materials locally from Bhilai and Durg, and the finished wire is sold pan India. The company is managed by its Director Mr. Arvind Jain and his father Mr. Kantilal Jain.

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

Analytical Approach

Acuité has considered the standalone financial and business risk profiles of AEPL to arrive at the rating.

Applicable Criteria

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

Note on complexity level of the rated instrument:

<https://www.acuite.in/view-rating-criteria-55.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.

Liquidity Position

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

Rating Sensitivities

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

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

Care Ratings, vide its press release dated June 26, 2021 had downgraded the rating of Avanta Engineering Private Limited to 'CARE B/Stable; ISSUER NOT COOPERATING'.

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount	Ratings/Outlook
			(Rs. Crore)	
31 July 2020	Cash Credit	Long term	6.86	ACUITE BB/Stable (Upgraded from ACUITE BB-/Stable)
	Term Loan	Long term	2.40	ACUITE BB/Stable (Upgraded from ACUITE BB-/Stable)
	UCELC	Long term	0.69	ACUITE BB/Stable (Assigned)
	WCTL	Long term	1.51	ACUITE BB/Stable (Assigned)
	Proposed	Long term	8.00	ACUITE BB/Stable (Upgraded from ACUITE BB-/Stable)
25 June 2019	Cash Credit	Long term	3.50	ACUITE BB-/Stable (Assigned)
	Term Loan	Long term	2.78	ACUITE BB-/Stable (Assigned)
	Proposed Cash Credit	Long term	4.50	ACUITE BB-/Stable (Assigned)
	Proposed	Long term	4.22	ACUITE BB-/Stable (Assigned)

*Annexure – Details of instruments rated

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
UCO Bank	Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.86	ACUITE BB- (Downgraded; Indicative & Withdrawn)
UCO Bank	Term Loan	Not Available	Not Available	Not Available	2.40	ACUITE BB- (Downgraded; Indicative & Withdrawn)
UCO Bank	UCELC	Not Applicable	Not Applicable	Not Applicable	0.69	ACUITE BB- (Downgraded; Indicative & Withdrawn)
UCO Bank	WCTL	Not Applicable	Not Applicable	Not Applicable	1.51	ACUITE BB- (Downgraded; Indicative & Withdrawn)
Not Applicable	Proposed facility	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB- (Downgraded; Indicative & Withdrawn)

Contacts

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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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