

## Press Release

### SMVD Poly Pack Limited

November 30, 2022



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	28.77	ACUITE BB   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	28.77	-	-
Total Withdrawn Quantum (Rs.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**) on the Rs. 28.77 crore bank facilities of SMVD Polypack Limited. The rating is now flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

### About the Company

Established in 2010 and commenced its commercial operation from 2012, SMVD Polypacks Limited is a West Bengal-based company promoted by Mr. Pramod Kumar Agarwal and Mr. Pawan Kumar Agarwal. The company is engaged in manufacturing of Polypropylene (PP) and High Density Polyethylene (HDPE) woven bags and fabrics with the installed capacity of 6000 MTPA. The company mainly caters to the chemical and fertilizer industries, minerals, steel and cement industries West Bengal & Odisha.

### 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 the due date. Acuite 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 continues to be 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 ratings are 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

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	86.24	68.31
PAT	Rs. Cr.	1.05	0.49
PAT Margin	(%)	1.22	0.71
Total Debt/Tangible Net Worth	Times	1.40	1.50
PBDIT/Interest	Times	1.81	1.57

## Status of non-cooperation with previous CRA

None

## Any other information

None

## Applicable Criteria

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

## Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Sep 2021	Term Loan	Long Term	12.77	ACUITE BB+   Stable (Reaffirmed)
	Cash Credit	Long Term	16.00	ACUITE BB+   Stable (Reaffirmed)
20 Sep 2019	Term Loan	Long Term	12.77	ACUITE BB+   Stable (Assigned)
	Cash Credit	Long Term	16.00	ACUITE BB+   Stable (Assigned)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Complexity Level</b>	<b>Quantum (Rs. Cr.)</b>	<b>Rating</b>
Axis Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	16.00	ACUITE BB   Downgraded   Issuer not co-operating*
Axis Bank	Not Applicable	Term Loan	Not available	8.60	Oct 31 2025 12:00AM	Simple	12.77	ACUITE BB   Downgraded   Issuer not co-operating*

## Contacts

Analytical	Rating Desk
<p>Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 <a href="mailto:pooja.ghosh@acuите.in">pooja.ghosh@acuите.in</a></p> <p>Abhishek Dey Senior Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:abhishek.dey@acuите.in">abhishek.dey@acuите.in</a></p>	<p>Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuите.in">rating.desk@acuите.in</a></p>

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.