

Press Release
Smvd Poly Pack Limited
May 09, 2024



Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|--|-------------------|
| Bank Loan Ratings | 28.77 | ACUITE C Downgraded Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 28.77 | - | - |

Rating Rationale

Acuite has downgraded the long-term rating to **'ACUITE C' (read as ACUITE C)** from **'ACUITE BB-' (read as ACUITE Double B Minus)** on the Rs.28.77 Crore bank facilities of SMVD Poly Pack Limited (SPPL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

The downgrade is based on recent delay in servicing of debt obligation by the company as per publicly available information.

About the Company

Incorporated in 2010, SMVD Poly packs Limited is a West Bengal-based company promoted by Mr. Pramod Kumar Agarwal, Mr. Varun Roongta , Mr. Sumit Agarwal , Ms. Sangita Agarwal, Ms. Bharti Ranga 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 4000 MTPA. The company mainly caters to the chemical and fertilizer industries, minerals, steel and cement industries West Bengal & Odisha.

Unsupported Rating

Not Applicable

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 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. 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 is based.

Rating Sensitivity

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

Liquidity Position

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

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

| Particulars | Unit | FY 23 (Actual) | FY 22 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 94.00 | 101.73 |
| PAT | Rs. Cr. | 0.27 | 1.05 |
| PAT Margin | (%) | 0.29 | 1.03 |
| Total Debt/Tangible Net Worth | Times | 1.41 | 1.40 |
| PBDIT/Interest | Times | 1.62 | 1.81 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

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, 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

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|--|
| 22 Nov 2023 | Cash Credit | Long Term | 16.00 | ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB) |
| | Term Loan | Long Term | 12.77 | ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB) |
| 30 Nov 2022 | Cash Credit | Long Term | 16.00 | ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable) |
| | Term Loan | Long Term | 12.77 | ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable) |
| 07 Sep 2021 | Term Loan | Long Term | 12.77 | ACUITE BB+ Stable (Reaffirmed) |
| | Cash Credit | Long Term | 16.00 | ACUITE BB+ Stable (Reaffirmed) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|---------------|----------------------|-------------|----------------------|----------------------|----------------------|------------------|-------------------|--|
| Axis Bank | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 16.00 | ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB-) |
| Axis Bank | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | 31 Oct 2025 | Simple | 12.77 | ACUITE C Downgraded Issuer not co-operating* (from ACUITE BB-) |

Contacts

| Analytical | Rating Desk |
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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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