

RATING RATIONALE

01 Jun 2020

AVR Zinc Products Pvt. Ltd.

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 11.83 Crore of AVR Zinc Products Pvt. Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous	Present
				Oct, 2015	
Fund Based	9.33	9.33	Long Term	BWR B Stable	BWR C (Downgraded) Issuer Not Cooperating*
Non Fund Based	2.50	2.50	Short Term	BWR A4	BWR A4 (Reaffirmed) Issuer Not Cooperating*
Total	11.83	11.83	INR Eleven Crores and Eighty Three Lakhs Only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Issuer did not cooperate; based on best available information

Details of Bank facilities is provided in Annexure - I

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

In view of the non-availability of the information and lack of cooperation from the firm, Brickwork Ratings has downgraded and migrated the long term rating to 'BWR C ; Issuer Not Cooperating' and reaffirmed and migrated the short term rating of 'BWR A4 ; Issuer Not Cooperating' for the bank loan facilities amounting **Rs. 11.83 Crores of AVR Zinc Products Pvt. Ltd.**

The lenders/investors may note to exercise due caution while using the above ratings which mentions "**Issuer Not Cooperating**" since the ratings lack any projections or forward looking

component as it is arrived based on the best available information without any management/banker's interaction.

The rating was due for a review in October, 2016. BWR took up with the company to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING:

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS

Key Parameters	Units	FY13	FY14
Result Type		Audited	Audited
Total Operating Income	Rs. Crores	16.26	16.65
EBIDTA	Rs. Crores	-0.66	1.53
PAT	Rs. Crores	-2.33	0.06
Tangible Net Worth (TNW)	Rs. Crores	-1.12	-0.86
Total Debt / TNW	Times	-8.54	-12.35
Current Ratio	Times	1.26	1.11

COMPANY PROFILE (Information as available in October, 2015)

AZPL was established in the year 1987 as AVR Chemicals by the promoter Ms. E.Anuradha and was later incorporated as a Private Limited Company in the name of AVR Zinc Products Pvt. Ltd. The manufacturing unit is located in Yanam, Union territory of Pondicherry. The company is involved in the manufacturing of Zinc Oxide, which is utilized in various industries like rubber, paints, ceramics, pharmaceuticals industries etc..

NON-COOPERATION WITH PREVIOUS RATING AGENCY : Nil

Rating History For The Previous Three Years [including withdrawal and suspended]

Facility	Current Rating			Rating History [^]		
	Type	Amount (₹ Cr)	Rating	2019	2018	2017
Fund Based	Long Term	9.33	BWR C (Downgraded) Issuer Not Cooperating*	-	-	-
Non Fund Based	Short Term	2.50	BWR A4 (Reaffirmed) Issuer Not Cooperating*	-	=	-
Total		11.83	INR Eleven Crores and Eighty Three Lakhs Only			

*Issuer did not cooperate; based on best available information

[^] Initial Rating of 'BWR C+ and BWR A4' was assigned to the Bank Loan facilities of Rs. 10.12 Crores of AVR Zinc Products Pvt. Ltd.. on 27 October 2014.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

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Annexure I
AVR Zinc Products Pvt. Ltd.
Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facility	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
1	UCO Bank	Cash Credit	8.50	-	8.50
		Term Loan	0.83	-	0.83
		Letter of Credit	-	2.50	2.50
TOTAL					11.83

Total Rupees Eleven Crores and Eighty Three Lakhs Only

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings: Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide



presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reason.