

**RATING RATIONALE**

**Avon Fitness Machines Pvt Ltd**

**Brickwork Ratings has revised the Ratings for the Bank Loan facilities of ₹ 12.00 Crore of Avon Fitness Machines Pvt Ltd based on best available information, as the issuer did not cooperate.**

**Particulars**

Facilities	Amount (₹ Crores)		Tenure	Rating#	
	Previous	Present		Previous (Aug, 2018)	Present
<b>Fund Based</b>	12.00	12.00	Long Term	<b>BWR BB Stable Reaffirmed</b>	<b>BWR B+ Downgrade Issuer Non Cooperating</b>
<b>Total</b>	12.00	12.00	<b>INR Twelve Crores Only</b>		

#Please refer to BWR website [www.brickworkratings.com/](http://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**

**Downgraded to BWR B+ (Issuer not Cooperating) based on best available information as the issuer did not cooperate.**

The rating was due for a review in Aug, 2019. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the Company's financial performance. Further, the Banker was unable to be contacted, though we have sent an email asking the current status of the same. Besides, NDS has not been submitted by the company every month, despite follow up. In view of the non cooperation by the issuer and the absence of the lender's feedback, BWR has revised the rating to BWR B+ Issuer Not Cooperating.

**LIMITATIONS OF THE RATING :** Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation 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 ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

**COMPANY PROFILE** [As available on 10 Aug, 2018]

Ludhiana-based Avon Fitness Machines Pvt. Ltd. (AFMPL) is a subsidiary company of Pahwa Estates and Holdings Pvt. Limited. AFMPL was incorporated in August 2013 at Ludhiana, Punjab. The concern is engaged in import of fitness machines, equipment, and spares from China, and markets them through its sister company (Avon Cycles Limited) established pan-India distribution network and directly to fitness centers under its own brand name "AVON". The entity commenced operations in FY-15. Directors – Mr. Omkar Singh Pahwa, Mr. Madeep Pahwa, Mr. Rishi Pahwa, and Mr. Santosh Kumar Motwani, actively manage the operations of AFMPL.

**KEY FINANCIAL INDICATORS** (in INR Cr) [As available on 10 Aug, 2018]

Key Parameters	Units	2017	2018
Result Type		Audited	Provisional
Total Operating Income	₹ Cr	23.95	37.49
EBITDA	₹ Cr	2.08	4.98
PAT	₹ Cr	1.02	3.11
TNW	₹ Cr	7.52	10.46
TOL/TNW	Times	0.92	1.29
Current Ratio	Times	1.97	1.65

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY**

Not Available

## RATING HISTORY

Facilities	Current Rating (March, 2020)			Rating History		
	Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	Aug, 2018	April,2017
<b>Fund Based</b>	Long Term	12.00	<b>BWR B+ Stable Downgrade Issuer Not cooperating</b>	-	<b>BWR BB Stable (Reaffirmed)</b>	<b>BWR BB Stable</b>
<b>Non Fund Based</b>	Short Term	-	-	-	<b>A4+ Withdrawn</b>	<b>A4+</b>
<b>Total</b>		<b>12.00</b>	<b>₹ Twelve Crores Only</b>			

\*Issuer did not cooperate; based on best available information

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

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

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## ANNEXURE I

### Avon Fitness Machines Pvt Ltd

#### Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Punjab National Bank	CC	12.00	-	12.00
<b>TOTAL</b>					<b>12.00</b>

**Total Rupees Twelve Crores Only.**

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