

RATING RATIONALE

Avon Cottex Private Limited

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 24.05 Crores of Avon Cottex Private Limited based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (March, 2018)	Present
Fund based Cash Credit Limit Term Loan	6.50 16.25	6.50 16.25	Long Term	BWR BB Stable Reaffirmed	BWR BB- Stable Downgrade Issuer Not Cooperating#
Non Fund Based Bank Guarantee	1.30	1.30	Short Term	BWR A4 Reaffirmed	BWR A4 Reaffirmed Issuer Not Cooperating#
Total	24.05	24.05	Twenty Four Crores Five Lakhs ₹ Only		

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

Issuer did not cooperate; based on best available information

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

BWR Revised the long term bank loan ratings of Avon Cottex Private Limited to BWR BB-Stable and Reaffirmed Short Term Rating of BWR A4 based on the best available information as the Issuer did not Cooperate.

BWR was initially rated Bank Loan facilities amounting to Rs. 13.06 Crs (Fund based & Non Fund Based) of Avon Cottex Private Limited on 22 October 2015. The rating assigned was BWR BB- Stable and Short Term Rating of BWR A4 . The Rating was due in October 2016 and moved to RNR Category on 21.11.2016. The rating for Bank Loan of Rs.14.40 crs was upgraded on 06 February 2017, to BWR BB Stable and reaffirmed Short Term Rating of BWR A4. The Rating was reaffirmed on 12 March 2018 for Bank Loan amounting to Rs 24.05 Crores (Fund Based & Non Fund Based). The Rating was due in March 2019 and Moved to RNR Category on 13.06.2019 BWR took up with the issuer /bank 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/Company, BWR is unable to assess the issuer's/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, 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.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY17	FY16
Result Type		Audited	Audited
Total Operating Income	Crs	35.42	34.16
EBIDTA	Crs	4.28	4.69
PAT	Crs	0.25	0.65
Tangible Net Worth	Crs	11.69	7.22
TOL/TNW	Times	1.55	2.17
Current Ratio	Times	1.41	1.22

COMPANY PROFILE [AS AVAILABLE WITH BWR]

Avon Cottex Private Limited Incorporated in 2012, Avon Cottex Private Limited was incorporated in 2012 by Mr. Satnam Singh. The Company is into manufacturing of cloth besides doing fabrication on job work basis of Fabric Knitting, Dyeing and Processing. Fabric Knitting, Dyeing and Processing includes 100% Cotton, Polyester/Cotton, 100% Polyester, 100% Viscose, 100% Modal and other various fabrics. The unit is located in Ludhiana (Punjab). The constructed area of the factory is 60000 sq. ft. Further, the Effluent treatment plant has been setup as per the norms set by the Punjab Pollution Control Board. The current utilization capacity is around 80%.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : None

RATING HISTORY

Instrument /Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	2018	2017
Fund Based Cash Credit Limit Term Loan	Long Term	6.50 16.25	BWR BB- Stable (Downgrade) Issuer Not Cooperating	BWR BB Stable Reaffirmed	BWR BB Stable Upgrade
Non Fund Based Bank Guarantee	Short Term	1.30	BWR A4 Reaffirmed Issuer Not Cooperating	BWR A4 Reaffirmed	BWR A4 Reaffirmed
Total		24.05	INR Twenty Four Crores Five Lakhs Only			



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

** Initially BWR has rated bank facilities amounting of Rs 13.06 Crores and assigned rating of BWR BB- Stable and BWR A4 on 22.10.2015.

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](#)

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ANNEXURE I

AVON COTTEX PRIVATE LIMITED Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Total[₹ Cr]
1	State Bank of India	Fund Based Cash Credit Limit Term Loan	6.50 16.25	22.75
		Non Fund Based Bank Guarantee	Short Term [₹ Cr] 1.30	1.30
TOTAL INR TWENTY FOUR CRORES FIVE LAKHS ONLY				24.05



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