

RATING RATIONALE

26 Nov 2019

AVN Petrochemicals India

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 15.00 Crores of AVN Petrochemicals India based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#		
	Previous	Present		Initial (Oct 2014)	Previous (June 2017)	Present
Non Fund based	15.00	15.00	Short Term	BWR A4+	Rating Not Reviewed	BWR A4 (Downgraded) Issuer Not Cooperating*
Total	15.00	15.00	INR Fifteen Crores 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 / NATURE OF NON-COOPERATION

The short term rating of the Bank Loan Facilities of the entity has been revised and downgraded to BWR A4 from BWR A4+, based on the available information as the client has not submitted any paper/information etc. for ascertaining the financial risk profile/performance of the entity. We have therefore moved the rating under “Issuer Not Cooperating” category.

The rating was due for surveillance. The entity was being regularly followed up for the surveillance, vide emails dated 03.09.18, 12.04.19, 22.05.19, 04.06.19, 26.09.19, 04.11.19 and 18.11.19 for obtaining the relevant and latest paper/ information for the review of the rating. The entity did not cooperate for undertaking the rating process in spite of following up several times. In the absence of adequate information from the entity, BWR is unable to assess the entity’s financial performance and its ability to service its debt and maintain a valid rating.

Hence, on account of inadequate information and lack of management cooperation, BWR recommends to place the rating under Issuer Non Cooperating category and has further revised the short term rating of the Bank Loan Facilities of the company to BWR A4.

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 ratings 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 (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 13	FY 12
Result Type		Audited	Audited
Operating Income	₹ Cr	56.52	37.68
EBITDA	₹ Cr	1.49	0.93
PAT	₹ Cr	0.39	0.34
Tangible Net Worth	₹ Cr	1.36	8.85
Total Debt /TNW	Times	4.42	1.11
Current Ratio	Times	4.62	9.22

COMPANY PROFILE (Information as on Oct 2014)

AVN Petrochemical India (AVNPI), incorporated in the year 2010, is a proprietorship firm. The firm is engaged in the trading of various products like HDPE/PPE/PVC etc. The firm sources its products from various countries such as Iran, Taiwan, USA and Middle Eastern Countries. AVNPI has its own warehouse located at Bhiwandi, Daman and Silvassa.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : Nil

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History	
	Tenure	Amount (₹ Cr)	Rating	Previous (June 2017)	Initial (Oct 2014)
Non Fund Based Letter of Credit	Short Term	15.00	BWR A4 (Downgraded) Issuer Not Cooperating*	Rating Not Reviewed	BWR A4+
Total		15.00	INR Fifteen Crores Only		

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

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

AVN Petrochemicals India 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	Oriental Bank of Commerce	Letter of Credit	15.00	-	15.00
TOTAL					15.00

Total Rupees Fifteen Crores only.



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