Rating Rationale

Brickwork Ratings assigns 'BWR A4+' for the short term Bank Loan Facilities of AVN Petrochemicals India.

Brickwork Ratings (BWR) has assigned the Rating[1] 'BWR A4+' for the Bank Loan Facilities of ₹ 15.00 Cr of AVN Petrochemicals India.

Facility	Existing Limits (₹ Cr)	Tenure	Rating
Non-Fund Based (NFB)		**Short Term**	**BWR A4+** (Pronounced BWR A Four Plus)
LC	**15.00**		
Total	**15.00**	**(INR Fifteen Crores only)**	

BWR has principally relied upon the audited financial results up to FY13, provisional financials of FY14, projected financials, publicly available information and information/clarification provided by the company's management.

The rating has inter-alia factored the promoter's extensive experience in business and long operational track record of the group company in the similar business. The rating is however constrained by high degree of competition due to the fragmented nature of the industry, working capital intensive nature of operation, exposure to the volatility in the operating income and not very strong profitability indicators

Company Profile:

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 Middles Eastern Countries. AVNPI has its own warehouse located at Bhiwandi, Daman and Silvassa.

Financial Performance:

The AVNPI's revenue improved approximately by 26% to Rs 71.50 Crores in FY14 (provisional) from Rs 56.52 Crores in FY13. Overall profit after tax of the firm stood at Rs 0.69 Crores in FY14 (provisional) as against the PAT of Rs 0.39 Crores in FY13 and Rs 0.34 Crores in FY12.

[1] ***Please refer to www.brickworkratings.com for definition of the Ratings***

Rating Outlook:

AVNPI has experienced promoters and long operational track record of its group companies in similar line of business. However, the firm has working capital intensive nature of operation and feeble profitability indicators. Going forward, the ability of the firm to improve its profitability margin, revenue and maintain the revenue growth momentum are the key rating sensitivities.

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