



Rating Rationale

Avyaktt Oils Private Limited

30th August 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 6.46 Crs of Avyaktt Oils Private Limited.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based			
Cash Credit	2.75	Long Term	BWR B (BWR Single B) (Outlook: Stable)
Proposed Cash Credit	2.25		
Term Loan	1.46		
Total	6.46	INR Six Crores and Forty Six Lakhs Only	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has primarily relied upon the audited financials up-to FY16, provisionals of FY17 not certified by CA and publicly available information and the information/clarifications provided by the firm.

The rating draws strength from the experience of promoters' in edible oil industry and relationship with customers & suppliers. However, the ratings are constrained by small scale of operations, low tangible networth, high gearing, thin net profitability margins and competitive nature of the industry.

Going forward, the ability of the company to increase its scale of operations to improve profitability, strengthen its capital structure, manage its working capital efficiently will be the key rating sensitivities.

30th August 2017

About the Company

Avyakt Oils Private Limited was established in the year 2014 as a private limited company, located at West Godavari Dist, Andhra Pradesh. Promoters of the Company are Mr.D.Satish Kumar, Ms. D. Hima Bindu and Mr. Chandra Sekhar. The company is engaged in manufacturing of edible oils(crude cottonseed oil, crude Palm oil and crude rice bran oil) and animal feed.

Firm Financial Performance

The firm reported a net revenue from operations of Rs. 0.14 Crores in FY15 and Rs. 8.26 Crores in FY16. Based on Provisionals of FY17, revenue is Rs. 15.52 Crs. Operating and net profit margins reported at 11.70% and 0.18% in FY16 as against 4.13% and 2.35% in FY15. As per Provisionals of FY17, the net profit margin is 0.50% and operating profit 7.48%. Tangible networth of the company is reported at 2.47 Crs in FY16. The company is reported high gearing level reflected from debt equity of 2.54X in FY17. Interest coverage indicate at comfortable level reflected by ISCR of 2.69 times in FY17. The company is reported to high debt reflected by total debt of Rs. 6.29 Crs in FY17.

Rating History for the last three years:

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Cash Credit	Long Term	2.75	BWR B	Not Rated	Not Rated	Not Rated
2	Proposed Cash Credit		2.25				
3	Term Loan		1.46				
Total			6.46				
INR Six Crores and Forty Six Lakhs Only							

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)



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Annexure

Key Paramaters	FY15 (Audited)	FY16 (Audited)	FY17 (Provisionals)
Net Sales	0.14	8.26	15.52
EBITDA	0.01	0.97	1.16
PAT	0.00	0.02	0.08
Tangible Networth	2.38	2.39	2.47
Total Debt: Tangible Networth	2.05	2.26	2.54
Current Ratio	1.60	0.65	1.22

For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.



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