

July 26, 2023

## Avani Petrochem Private Limited: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	15.00	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Fund Based-Cash Credit	35.60	35.60	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Short Term-Interchangeable- Others	(35.60)	(35.60)	[ICRA]A4; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
<b>Total</b>	<b>50.60</b>	<b>50.60</b>	

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

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the long-term and short term ratings for the bank facilities of Avani Petrochem Private Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+ (Stable)/[ICRA]A4; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at [www.icra.in](http://www.icra.in).

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology - Chemicals</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

## About the company

Avani Petrochem Private Limited (APPL) was established 1980 by Mr Dipak Shah. The company uses fractional distillation process to manufacture petroleum speciality products mainly dearomatized hydrocarbon solvents and oils for polymers, mosquito repellents, paints, ink and aluminium industry. The company procures the key raw materials (dearomatized kerosene oil) from Korea and Saudi Arabia as this process is not carried out by any refinery in India. APPL also procures the same from importers based in India. APPL is a promoter driven company with the operations and administration primarily being managed by the promoter Mr Dipak Shah and his son Mr Harsh Shah. The company has its distillation towers in Halol, Vadodara with capacity of 16000 kilo litres per annum.

## Key financial indicators:

	FY2020 (in crore)	FY2021 (in crore)
<b>Operating income</b>	99.4	112.8
<b>PAT</b>	0.1	0.8
<b>OPBDIT/OI</b>	2.8%	5.5%
<b>PAT/OI</b>	0.1%	0.7%
<b>Total outside liabilities/Tangible net worth (times)</b>	1.6	1.4
<b>Total debt/OPBDIT (times)</b>	16.5	5.1
<b>Interest coverage (times)</b>	0.4	1.0

Source-MCA

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: Not Applicable**

## Rating history for past three years

Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2020	
				26-Jul-2023	17-Jun-2022	24-May-2021	27-Feb-2020	
1 Term Loan	Long Term	15.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	
2 Cash Credit	Long Term	35.60	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	
3 Interchangeable	Short Term	(35.60)	-	[ICRA] A4; ISSUER NOT COOPERATING	[ICRA] A4; ISSUER NOT COOPERATING	[ICRA] A4; ISSUER NOT COOPERATING	[ICRA] A4; ISSUER NOT COOPERATING	

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Cash Credit	Simple

Interchangeable	Very Simple
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The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**Annexure-1: Instrument details**

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	35.60	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Interchangeable	-	-	-	(35.60)	[ICRA] A4; ISSUER NOT COOPERATING

*Source: Avani Petrochem Private Limited*

**Annexure-2: List of entities considered for consolidated analysis: Not Applicable**

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### Branches



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