

AVI Appliances Pvt. Ltd.

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 15.00 Crores of AVI Appliances Pvt. Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#		
	Previous	Present		Initial (June 2017)	Previous (Sep 2018)	Present
Fund based Cash Credit	5.00	5.00	Long Term	BWR BB Stable	Rating Not Reviewed	BWR BB- Stable Issuer Not Cooperating* (Downgraded)
Non Fund based Bank Guarantee/ Letter of Credit	10.00	10.00	Short Term	BWR A4+		BWR A4 Issuer Not Cooperating* (Downgraded)
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 / OUTLOOK / NATURE OF NON-COOPERATION

The long term rating of the Bank Loan Facilities of the company has been revised and downgraded to BWR BB- ‘Stable’ from BWR BB ‘Stable’ and the short term rating has been downgraded to BWR A4 from BWR A4+, on account of non-receipt of any papers/information for ascertaining the financial risk profile/performance of the company. We have therefore moved the rating under “Issuer Not Cooperating” category.

Given the tariff competitiveness of solar energy along with strong policy thrust, the overall outlook for demand for solar power in India remains favorable. Hence we have assigned 'Stable' Outlook.

BWR had initially assigned rating of BWR BB+/BWR A4+ Stable to bank loan facilities amounting to Rs. 15.00 crores in June 2017. In Sept 2018, the rating was moved to Rating Not Reviewed as no information was received from the client for conducting the annual surveillance. The rating was due for surveillance. The company was being regularly followed up for the surveillance, vide emails dated 28.05.2019, 01.08.2019, 28.08.2019, 06.09.2019 and 25.09.2019 and calls dated 06.08.2019, 16.08.2019, 13.09.2019 and 25.09.2019 for obtaining the relevant and latest paper/ information for the review of the rating. The company did not cooperate for undertaking the rating process in spite of following up. 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 & downgraded the long-term rating of the Bank Loan Facilities of the company to BWR BB-Stable and the short term rating has been downgraded 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 17	FY 16
Result Type		Audited	Audited
Operating Income	₹ Cr	27.24	30.90
EBITDA	₹ Cr	5.45	3.93
PAT	₹ Cr	2.69	1.98
Tangible Net Worth	₹ Cr	10.71	6.02
Total Debt /TNW	Times	0.24	1.25
Current Ratio	Times	2.63	2.17

COMPANY PROFILE (Information as on June 2017)

Avi Appliances Pvt Ltd (AAPL) was established in 1994 as a proprietorship concern engaged in the business of manufacturing and assembling inverters, following which the entity was converted into a private limited company in 2003. Subsequently, AAPL started manufacturing and assembling of Solar & Power conditioning equipment / products. The products of the company includes Off grid & Grid tied Solar power packs, Solar hybrid UPS (inverters) with charge controller, Solar inverters, Solar street lighting systems, Long backup UPS, Tubular batteries, Solar home lights, Solar lanterns, Solar water pumping system, CFL / LED solar street lights, Luminaries for solar street lights, Solar PV modules, AC LED luminaries for street lights etc. The company has its head office and manufacturing division at Ahmedabad.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : Nil

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History	
	Tenure	Amount (₹ Cr)	Rating	Initial (June 2017)	Previous (Sept 2018)
Fund based Cash Credit	Long Term	5.00	BWR BB- Stable Issuer Not Cooperating* (Downgraded)	BWR BB Stable	Rating Not Reviewed
Non Fund based Bank Guarantee/ Letter of Credit	Short Term	10.00	BWR A4 Issuer Not Cooperating* (Downgraded)	BWR A4+	
Total		15.00	INR Fifteen Crores Only		

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

AVI Appliances Pvt. Ltd. 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	State Bank of India	Cash Credit	5.00	-	5.00
		Bank Guarantee/ Letter of Credit	-	10.00	10.00
TOTAL					15.00

Total Rupees Fifteen Crores only.



For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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DISCLAIMER

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