

## Rating Rationale

**Brickwork Ratings assigns 'BWR BB+' for long term & 'BWR A4+' for short term Ratings for bank Loan facilities aggregating ₹ 42.75 Cr of Advance Ventilation Pvt. Ltd**

Brickwork Ratings has assigned following **Ratings<sup>1</sup>** for Bank Loan facilities of Advance Ventilation Pvt Ltd ('AVPL' or the Company).

Facility	Present Limits (₹ Cr)	Tenure	Rating
Cash Credit	10.25	Long Term	<b>BWR BB+</b> (Pronounced as BWR Double B Plus) Outlook Stable
PC/BD/BP	(6.00)	Short Term	<b>BWR A4+</b>
LC	1.00		
LG	31.50		
<b>Total</b>	<b>42.75</b>	<b>INR Forty Two Crores and Seventy Five Lakhs Only</b>	

BWR has essentially relied upon the audited financial results of **Advance Ventilation Pvt Ltd** up to FY15, provisional for FY16 (uncertified by CA), projection for FY7 and information/clarifications provided by the Company.

The rating has factored, inter alia, established track record of more than 35 years, Experienced Promoters, Strong client base, Healthy order book position and Moderate gearing level.

However, the rating is constrained by stagnant cash accruals to debt, high working capital nature of business and long execution cycle.

### Background:

Advance Ventilation Pvt Ltd (AVPL) was incorporated in 1981. The company is located at Pitampura, New Delhi. The company is mainly involved in fabrication of air handling fans / blowers such as; CENTRIFUGAL, AXIAL FLOW, CENTRIFUGAL-AXIAL; in single stage and 2-stage design, and in various other configuration, which are the core equipment for ventilation and air handling systems. The unit is located at Kundali, Sonipath. It has accomplished many Industrial air handling and ventilation projects for various medium and large scale manufacturing units / process plants. The company also provides solution systems in the field of Industrial ventilation, air handling, air pollution control and Air conditioning & Refrigeration. The company is an ISO 9001: 2000 certified unit.

### Financial Performance:

In FY15, company has achieved revenue of Rs 55.81 Crs against Rs 48.68 Crs in FY14. The operating profit margin stood at 9.21 per cent and net profit margin at 2.05 per cent for FY15.

The company has debt equity of 1.48 times in FY15. The tangible net-worth stood at Rs 14.04 Crs for FY15.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

### Rating Outlook:

The outlook of the company is expected to be stable over the next one year. The rating reflects the position of the company in the fabrication segment of the industry it caters to. Going forward, ability of the company to achieve higher revenue growth as projected, maintain its profitability margins and prompt realization of receivables will be the key rating sensitivities.

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