

Press Release

Brickwork Ratings assigns 'BWR BB' & 'BWR A4' for the Bank Loan Facilities of ₹ 10 Cr for Airwave International Private Limited

Brickwork Ratings (BWR) has assigned the following **Ratings¹** for the Bank Loan Facilities of ₹ 10 Cr for Airwave International Private Limited.

Proposed Facility	Tenure	Amount (₹ Cr)	Rating
Fund Based Cash Credit Limit	Long Term	1.15	BWR BB (BWR Double B) Outlook - Stable
Non Fund Based Bank Guarantee	Short Term	8.85	BWR A4 (BWR A Four)
Total		10.00 (INR Ten Crores only)	

BWR has principally relied upon the audited financial results from FY11 till FY13, projected financials of FY14 of *Airwave International Private Limited*, publicly available information and information/clarification provided by the management.

The rating has factored, inter alia, substantial increase in net sales volume, promoter's experience in the same line of business and increase in demand for smart phones. However, the rating is constrained by limited track record (2 years), low net worth, low value added products with minimum entry barriers and thin operating and net margins.

Background:

Airwave International Private Limited (AIPL) was incorporated in 2011. Prior to 2011 AIPL was a partnership firm as Airwave International doing similar business and was converted to private limited company with same partners as management on Board of AIPL. Its corporate office is located in Noida, Uttar Pradesh.

AIPL is a distributor for Smart Phones majorly of Samsung, Sony, HTC and Blackberry. Other product portfolio includes recharge plus, gadget cleaner from Luxor, IT products for Lenovo and HP, prepaid mobile broad band for Idea and MTS and prepaid cards for Vodafone. AIPL is a B2B company in north India except for some parts of Rajasthan where it is B2C.

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

Financial Performance:

As per the audited results of FY13, AIPL has reported PAT of Rs 0.18 Cr's on a total operating income of Rs 38.04 Cr's. The company's net operating Income has increased substantially from Rs 9.24Cr's in FY12 to Rs 38.04 Cr's in FY13. The net profit margins have declined from 1.02 % in FY12 to 0.47 % in FY13. The tangible net worth of the company stood at Rs 1.95 Cr's in FY13. The Interest Service Coverage ratio and Debt Service Coverage ratio for FY13 is 2.35 and 1.90 times respectively. Day's payable and Days receivable stood at 19 and 8 days respectively for FY13.

Rating Outlook

Ratings have factored in promoter's experience in the same line of business and low finance leverage. However, the ratings are constrained by limited track record and low entry barriers. The company's ability to improve its margin levels and infuse more funds for future growth would be key rating sensitivities. Company's performance over the next year is expected to remain stable.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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