

## RATING RATIONALE

29 Sep 2020

### Avante Medical

Brickwork Ratings revises the Long Term rating and reaffirms the short term rating for the Bank Loan Facilities of ₹. 5.50 Crores of *Avante Medical* based on the best available information, as the issuer did not cooperate.

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Mar' 2019)	Present
Fund Based	3.00	3.00	Long Term	BWR B (Stable) [Reaffirmed] “Issuer Not Cooperating”	BWR B- (Stable) [Downgraded] “Issuer Not Cooperating”
Non-fund Based	2.50	2.50	Short Term	BWR A4 [Reaffirmed] “Issuer Not Cooperating”	BWR A4 [Reaffirmed] “Issuer Not Cooperating”
<b>Total</b>	<b>5.50</b>	<b>5.50</b>	<b>INR Five Crores and fifty lakhs only</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

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

Details of Bank facilities provided in Annexure-I

#### RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long term rating has been downgraded to BWR B- (Stable) and the short term rating has been reaffirmed at BWR A4 for the Bank Loan Facilities of the firm under the ‘Issuer Not Cooperating’ category, based on the below said updates.

BWR had initially assigned rating of BWR B (Stable)/A4 for the bank loan facilities on 15 May’ 2014. The rating was due for review in May’ 2015. Despite follow up by BWR, no information was received from the company in order to complete the annual surveillance process. Based on the publicly available information, subsequently the ratings of the Company’s bank loan facilities were reaffirmed at BWR B (Stable)/A4 and placed under “Issuer Not Cooperating Category” on 30 Mar’ 2019 as the company did not provide us the updated information.

Going forward, BWR took up with the issuer consistently to provide required information over emails apart from telephonic communication. Further, as we are unable to reach its bankers, banker’s feedback regarding the conduct of the account is not available.

Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the firm, BWR is unable to assess the firm’s financial performance and its ability to service its debt and maintain a valid rating.



### LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation 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 the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of information required for a review of the rating.

### KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 2013	FY 2012
Result Type		Audited	Audited
Operating Income	₹ Cr	13.18	12.06
EBIDTA	₹ Cr	0.68	0.58
PAT	₹ Cr	0.12	0.11
Tangible Networth	₹ Cr	1.86	1.41
Total Debt : TNW	Times	1.44	1.80
Current Ratio	Times	1.43	1.40

### COMPANY PROFILE (As available with BWR in May, 2014)

Avante Medical is a partnership firm established in the year 2007. The Firm has its Corporate office in Himachal Pradesh, and head office is located in the Union Territory of Chandigarh. AM is the authorized distributor of life saving devices for various international manufacturers namely India Medtronic Pvt Ltd, Terumo corp Japan, Asahi Japan, Kaneka Japan, Biotronik Germany and Translumina Germany. The Firm is an authorized dealer for all the above mentioned companies for particular products, in the region of Shimla, Chandigarh and Punjab. The firm has 3 partners namely Mr. Amit Malik, Ms. Megha Malik and Ms. Anjali Talwar.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY:** Not Available

**RATING HISTORY FOR THE PAST THREE YEARS [including withdrawal and suspended]**

Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	30 Mar, 2019	2018	2017*
Fund Based	Long Term	3.00	BWR B- (Stable) [Downgraded] “Issuer Not Cooperating”	BWR B (Stable) [Reaffirmed] “Issuer Not Cooperating”	-	-
Non fund Based	Short Term	2.50	BWR A4 [Reaffirmed] “Issuer Not Cooperating”	BWR A4 [Reaffirmed] “Issuer Not Cooperating”	-	-
Total		<b>5.50</b>	<b>INR Five Crores and Fifty lakhs only</b>			

\*On 15 May' 2014; the rating assigned was BWR B (Stable)/A4.

**COMPLEXITY LEVELS OF THE INSTRUMENTS** For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)
- [Short Term Debt](#)

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**ANNEXURE I**  
***Avante Medical***

**Details of Bank Facilities rated by BWR**

<b>Sl. No.</b>	<b>Name of the Bank</b>	<b>Type of Facilities</b>	<b>Long Term [₹ Cr]</b>	<b>Short Term [₹ Cr]</b>	<b>Total [₹ Cr]</b>
<b>1.</b>	<b>Punjab National Bank</b>	Fund Based	<b>3.00</b>	-	<b>3.00</b>
		Non Fund Based	-	<b>2.50</b>	<b>2.50</b>
<b>TOTAL</b>					<b>5.50</b>

**Total Rupees Five Crores and Fifty lakhs only.**

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**About Brickwork Ratings** : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.



**DISCLAIMER** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.