



Rating Rationale

Aventura Components Pvt Ltd

10th May 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs 95.00Crs of Aventura Components Pvt Ltd

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based:-		Long Term	BWR BBB- (SO) Outlook: Stable
Working Capital	14.00		
Non Fund Based:-		Short Term	BWR A3
Letter Of Credit/ Bank Guarantee	81.00		
Total	Rs. 95.00 Crores (Rupees Ninety Five Crores Only.)		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY 2015-16 and projected financial of FY 2016-17 , publicly available information and clarification provided by the Company's management.

The suffix SO denotes structured obligation reflects on an unconditional and irrevocable corporate guarantee provided by its holding company i.e. Fontus Water Private Limited (Rated BWR BBB/A3+).

The rating factors,inter alia, extensive experience of promoters in water supply and management industry, long track record of operations supported by technically qualified team,growing scale of operations and moderate debt coverage indicators. The rating further draws comfort from a diversified

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customer base, steady flow of orders, group presences across value chain in water management and allied products in the industry . The rating is however constrained due to modest scale of operations, low profitability margins and competition from organized and unorganized players.

Rating Outlook: Stable

BWR believes that Aventura Components Pvt Ltd business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Aventura Components Pvt Ltd was incorporated in September 1997 and is in the business of supplying components required in water handling and water treatment industry. The company offers range of water treatment components like filtration, ion exchange process, membrane separation technology and chemical treatment. These products find wide usage in spectrum of industries like power, steel, pharmaceuticals, textiles, paper, dairy, food and beverages, sugar, building and household segments. The current management consists of Mr Kewal Krishan Nohria, Mr Vidyavathsal Annapragada, Mr Kamal Tiwari, Mr Nimir Mehta and Mr Sunil Ghorawat, who have extensive experience in water supply, treatment and water allied products industry.

Company Financial Performance

As per the audited financials for FY16, Company's revenue was Rs. 171.11 cr and PAT was Rs. 2.83 Cr as compared to Rs 93.02cr and Rs 1.51cr respectively in FY15. Net worth increased to Rs. 14.96Cr in FY16 as compared to Rs. 8.11 Cr in FY15. The gearing of the company stands 1.92X in FY16 as compared to 1.95X in FY15. There has been a considerable improvement in the provisional numbers of FY17 as provided by the company.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating	Rating in 2016	Rating in 2015	Rating in 2014
1	Working Capital	Long Term	14.00	BBB-(SO)	N/A	N/A	N/A
2	Letter Of Credit Bank Guarantee	Short Term	81.00	A3			

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Structured Obligation](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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.