



## Rating Rationale

Avishkar Innovative Pvt Ltd

29 Aug 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 30.00 Crores of Avishkar Innovative Pvt Ltd.

### Particulars

Facility	Amount (₹ Cr)	Tenure	Rating*
Fund based	30.00	Long Term	BWR BB- (Pronounced as BWR Double B Minus Outlook: Stable)
Total	30.00	INR Thirty Crores Only	

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

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results upto FY17, provisional financials of FY18, publicly available information and information/clarifications provided by the AIPL's management.

The ratings derive strengths from the extensive experience of the promoter in the same line of business, professional management team and the healthy growth prospects of the industry. However, the rating is constrained by the modest scale of operations, industry competition and working capital intensive nature of operations.

Going forward, ability of the company to increase revenues, diversify client base and manage working capital will be a key rating sensitivity.

### Description of Key Rating Drivers

#### Credit Strengths:

- Experienced management team with established track record
- Improvement in its turnover levels
- Moderate capital structure

#### Credit Risks:

- Exposure to risk arising from price fluctuation, forex risks & regulatory changes.
- Working capital-intensive operations



## Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

### Rating Outlook: *Stable*

BWR believes the **Avishkar Innovative 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

Avishkar Innovative Pvt Ltd (AIPL) was incorporated in 2015 as a private Ltd Company and its registered office is situated at Bangalore, Karnataka. AIPL offers automation solutions and setting up end to end solutions eco systems. over the years, Avishkar Innovative Pvt Ltd has specialized in the providing solutions in the field of Telecommunication, Embedded systems, Communication and also Education & media development. AIPL is a technology integrator company that offers services and turnkey solutions in an Automation Products & Embedded domain.

### Company Financial Performance

On a provisional basis, the company has reported net revenue of Rs 51.68 Cr and PAT of Rs 2.58 Cr in FY18 as against net revenue of Rs. 64.12 Cr and PAT of Rs 1.89 Cr in FY17.

### Rating History for the last three years

S.No	Instrument /Facility	Current Rating			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2017	2016	2015
	PCFC						
	<b>Fund Based</b>	Long Term	30.00	<b>BWR BB-</b>	NA	NA	NA
	<b>Total</b>				<b>₹Thirty Crores Only</b>		

Status of non-cooperation with previous CRA :Nil



**Key Financial Indicators**

Key Parameters	Units	2018	2017
Result Type		Provisional	Audited
Operating Revenue	₹ Cr	51.68	64.12
EBITDA	₹ Cr	0.66	3.97
PAT	₹ Cr	2.58	1.89
Tangible Net worth	₹ Cr	8.93	6.35
Total Debt/Tangible Net worth	Times	3.55	6.62
Current Ratio	Times	1.17	1.14

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)

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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

### **About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

### **DISCLAIMER**

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