

Rating Report

Brickwork Ratings assigns 'BWR BB' & 'BWR A4' for the Bank Loan Facilities aggregating to ₹7.11 Cr of Avinashi Ads.

Brickwork Ratings has assigned following **Ratings¹** for the bank loan facilities of Avinashi Ads.

Facility	Limit (₹Cr)	Tenure	Rating
Fund Based ODBD	3.00	Long Term	BWR BB (Pronounced as BWR Double B) Outlook : Stable
Non-Fund Based Bank Guarantee	4.11	Short Term	BWR A4 (Pronounced as BWR A Four)
Total	7.11	INR Seven Crores and Eleven Lakhs only	

BWR has essentially relied upon audited financial results up to FY14, provisional financial results for FY15, projected financials for FY16, publicly available information and information provided by the management.

The rating, inter alia, factors Promoters experience in the Bill Board Hoarding Advertising business, strong profitability, strong liquidity position, low leverage coupled with strong coverage ratios. However, the rating is constrained by intense competition in the market, recent regulatory strictures by BBMP (Bruhat Bangalore Mahanagara Palike) which may impact future business revenue and Firm's low bargaining power with large corporate customers as reflected in high days receivables.

Also, BWR has considered the Firm's ability to provide complete solution of banner advertising to its customer and long term contract with the landlords for hiring space in prime locations.

Background:

Avinashi Ads is proprietorship Firm established in the year 2000. The Firm located in Bangalore - Karnataka. The Firm provides complete service of Hoardings, Bill Boards, Pole Ads and Glow Sign Boards in Bangalore. Mrs. Ambuja Annaraya is the proprietor of the Firm and Mr. Annaraya S Talwar is the CEO of Avinashi Ads who manages the business and has 20 years of experience in the same line of business.

The Firm has entered into contract of Railway Tender in 2013 for the second time to put Hoardings in and around Bangalore City Railway Station and also has long term contract with Private landlords in prime localions in Bangalore.

The Firm's group concern, M/S Avinashi Prints manufactures Digital Flux Printing and Outdoor Advertising, which helps the Firm's clients to get complete solution of advertising under single roof.

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

Financials:

Avinashi Ads's net revenue from operations have improved by 58% in FY14 to ₹ 24.33 Crs (₹ 15.38 Crs in FY13). In FY14, the Firm reported a operating profit margin of 15.70%. The Firm's net worth stood at ₹ 8.03 Crs as on March 31, 2014.

Rating Outlook:

Avinashi Ads Firm's performance over the next year is expected to be stable. Going forward, the Firm's ability to increase its revenue, sustain profit margins, and improve average days receivables will be the key rating sensitivities.

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Avinashi Ads

Anexure I : P&L Account

Rs. In Crs

Particulars	FY 12 Audited	FY 13 Audited	FY 14 Audited
Gross Sales	10.24	15.38	24.33
Net Sales	10.24	15.38	24.33
Total Operating Income	10.24	15.38	24.33
Operating Expenses	7.55	11.72	20.51
OPBDIT	2.69	3.66	3.82
Depreciation/Amortization/Impairment	0.36	0.63	0.71
OPBIT	2.33	3.03	3.11
Interest and Finance Charges	0.27	0.75	0.62
OPBT	2.06	2.27	2.49
Non Operating Income(Expenses)	0.17	0.17	0.27
PAT	2.23	2.44	2.76

Anexure II : Balance Sheet

Particulars	FY 12 Audited	FY 13 Audited	FY 14 Audited
Liabilities			
EQUITY AND RESERVES	4.63	6.20	8.03
Share capital	2.40	3.75	5.27
Reserves and Surplus	2.23	2.44	2.76
Non-current liabilities	1.83	2.65	2.17
Long-Term Borrow ings	1.83	2.65	2.17
Current liabilities	5.67	5.94	9.40
Short-Term Borrow ings	0.66	1.69	1.91
Trade Payables	4.60	4.22	7.41
Other Current Liabilities	0.17	0.02	0.06
Short-Term Provisions	0.25	0.01	0.03
Total Liabilities	12.13	14.78	19.60
ASSETS			
Non-current assets	6.38	8.30	7.59
Net Fixed assets	5.68	7.84	7.13
Non Current Investments	0.71	0.46	0.46
Current assets	5.74	6.48	12.01
Current Investments	1.29	1.79	1.19
Trade Receivables < Six Months	3.56	3.52	7.49
Cash and Cash Equivalents	0.20	0.12	0.08
Short-Term Loans and Advances	0.35	0.20	0.43
Other Current Assets	0.34	0.87	2.83
Total Assets	12.13	14.78	19.60

Avinashi Ads
Anexure III : Ratios

Particulars	Times	FY 12 Audited	FY 13 Audited	FY 14 Audited
Total Debt/TNW	Times	0.54	0.70	0.51
Long Term Debt/TNW	Times	0.40	0.43	0.27
ISCR	Times	10.01	4.86	6.11
DSCR	Times	10.64	3.77	4.08
Net Cash Accruals/Long Term Debt	Times	1.42	1.16	1.60
Net Profit Margin	%	21.77	15.88	11.35
Operating Profit Margin	%	26.30	23.79	15.70
Current Ratio	Times	1.01	1.09	1.28
Days Receivables	Days	127	84	83

Financial Ratios as per BWR Calculations