



## Rating Rationale

Ami Tech (India) Pvt Ltd

22 Sep 2017

**Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 25.00 Crs. of Ami Tech India Pvt Ltd.**

### Particulars

Facility Rated	Amount (Rs. Cr)		Tenure	Rating <sup>1</sup>	
	Previous	Present		Previous	Present
<b>Fund Based (FB)</b>					
Cash Credit	2.00	5.00	Long Term	BWR BB (Pronounced BWR Double B) (Outlook - Stable)	BWR BB (Pronounced BWR Double B) (Outlook - Stable) Reaffirmation
<b>Non- Fund Based (NFB)</b>					
LC	10.00	5.00	Short Term	BWR A4+ (Pronounced BWR A Four Plus)	BWR A4+ (Pronounced BWR A Four) Reaffirmation
LC Bill Discounting (Sublimit of CC & BG)	—	1.00			
Bank Guarantee	—	15.00			
LC (Sublimit of BG)	—	3.00			
<b>Total Limits</b>	<b>12.00</b>	<b>25.00</b>	<b>(INR Twenty-Five Crores Only)</b>		

<sup>1</sup> Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

Note: The reaffirmation of rating is subject to Ami Tech India Pvt Ltd. submitting the audited financials of FY 17 for review of rating before 5.10.2017

### Rating Reaffirmed:

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

BWR has primarily relied upon the audited financials up to FY16, provisional financials of FY17 and projected financials up to FY19, publicly available information and information/clarification provided by the company

The ratings, inter alia, factor promoters' experience, established clientele and increased net worth. However, rating is constrained by decline in revenue, worsening conversion cycle, deterioration in interest coverage ratio and high gearing level.



Going forward, the ability of the firm to increase its scale of operations by improving revenues, reducing the gearing level, managing a better Interest coverage ratio, and managing working capital cycle efficiently will be the key rating sensitivities.

### **Rating Outlook: Stable**

BWR believes the **Ami Tech (India) 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.

**Key rating drivers:** Experience of the promoters is around 10-12 years. Revenue is inconsistent Y-O-Y from Rs 28.49 Crs to Rs38.45 Crs to Rs20.17 Crores in the last 3 years gearing level declined from 3.28 to 3.25 to 3.03 times in the last 3 years

### **About the Company**

Ami Tech (India) Pvt Ltd was incorporated in the year 1995 by its promoters and first-generation entrepreneurs Mr. Paresh Merchant and Mr. Nikhil Merchant. The company presently manufactures different types of automatic meter reader (AMR). AMR is a technology of automatically collecting power consumption data from energy metering devices and transferring it to a central database billing, troubleshooting, and analyzing. It is mainly installed in the substations. The company also provides installation services.

### **Company Financial Performance**

ATIPL reported net sales of Rs. 38.75 Crs and PAT of Rs. 0.25 Crs in FY16 as against net sales of Rs. 28.49 Crs and PAT of Rs. 0.17 Crs in FY15. As on FY16, the net worth stood at Rs. 21.35 Crs and debt of Rs. 69.40 Crs with debt: equity of 3.25 times. As per provisional financials, the company has reported decreased sales of Rs. 20.17 Crs for FY 17 while operating profit is also reduced in FY 17 to Rs 0.72 Crs. Net worth in FY 17 stood at Rs23.06 Crs



### Rating History for the last three years

SI No	Facility	Current Rating (Year 2017)			Rating*		
		Type	Amount (Rs. Crs)	Rating	2016	2015	2014
<b>Fund Based (FB)</b>							
1	Cash Credit	Long Term	5.00	BWR BB (Pronounced BWR Double B Minus) <b>(Outlook -Stable)</b> <b>(Reaffirmed)</b>	–	–	BWR BB (Pronounced BWR Double B) <b>(Outlook -Stable)</b>
<b>Non- Fund Based (NFB)</b>							
2	LC	Short Term	5.00	BWR A4 + (Pronounced BWR A Four plus) <b>(reaffirmed)</b>	–	–	BWR A4+ (Pronounced BWR A Four Plus)
3	LC Bill Discounting (Sublimit of CC & BG)		1.00				
4	Bank Guarantee		15.00				
5	LC (Sublimit of BG)		3.00				
Total Limits			25.00	<b>(INR Twenty Five Crores Only)</b>			

### Hyperlink/Reference to applicable Criteria

- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

Analytical Contacts	Media
<a href="#">CGM-Ratings</a>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<b>Relationship Contact</b>
	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone: 1-860-425-2742</b>	



**Annexure  
Key Financial Indicators**

<b>Key Parameters</b>	<b>FY 15 (Audited)</b>	<b>FY 16 (Audited)</b>	<b>FY 17 (Provisional)</b>
Net Sales/Revenues	28.49	38.75	20.17
EBIDTA	3.32	1.74	1.15
PAT	0.17	0.25	1.71
Tangible Net worth	21.10	21.35	23.06
Total Debt: TNW	3.28	3.25	3.03
Current Ratio	3.99	3.15	3.81

**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, 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.

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