

Rating Rationale

Brickwork Ratings assigns ‘BWR BB’ & ‘BWR A4+’ for the Bank Loan Credit Facilities aggregating ₹ 12 Cr of Ami Tech (India) Private Limited.

Brickwork Ratings assigns BWR BB Ratings¹ for long-term bank loan facilities and BWR A4+ rating for short-term bank loan facilities of Ami Tech (India) Private Limited (ATIPL or “the Company”).

Facility	Limit (₹ Cr)	Tenure	Rating
Fund Based: Cash Credit (CC)	2.00	Long Term	BWR BB (BWR Double B) (Outlook – Stable)
Non Fund Based: Letter of Credit (LC)	10.00	Short Term	BWR A4+ (BWR A Four Plus)
Total	12.00	(INR Twelve Crore only)	

BWR has relied upon ATIPL’s audited financial results up to FY13, projected financials up to FY15 and the information/clarifications provided by the Company.

The ratings, inter alia, factor experience and qualifications of management, strong revenue visibility and operating profitability, quality of clientele, and financial assistance from group companies. The ratings, however, are constrained by ATIPL’s limited track record in automatic meter reader (AMR) segment, modest scale of operations, stressed working capital cycle on account of delayed receivable, and considerable losses in equity trading activity of the Company.

Company Background and Operations

Ami Tech (India) Private Limited (ATIPL) was incorporated in the year 1995 by its promoters and first generation entrepreneurs Mr. Paresh Merchant and Mr. Nikhil Merchant. It was initially formed to manufacture aluminum ingots and die-cast products. However, with a slowdown in automobile industry, it shifted its business focus in the year 2006 to become a product engineering company that is focused to deliver end to end solutions for automation in the power and utility space.

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 for billing, troubleshooting, and analyzing. It is mainly installed in the substations. The Company also provides installation services.

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

Management Profile

The Company is promoted by first generation entrepreneurs Mr. Paresh Merchant and Mr. Nikhil Merchant. It is presently managed by its well qualified and experienced directors Mrs. Aparna Paresh Merchant, Mrs. Dharmishta Tanna, and Mr. Jayaramakrishnan Kannan.

Financial Performance

During the FY13, the Company's operating income increased to ₹ 45.11 Cr as against ₹ 38.52 Cr in FY12. As per provisional figures, for 9 months ended of FY14 it has achieved an operating income of ₹31.97 Cr.

Outlook

The outlook is Stable. The firm's ability to improve debtors' turnover, maintain strong operating margins, and manage equity trading activity are the key rating sensitivity factors.

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