

April 04, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit*	3.75	SMERA BB+/Stable (Assigned)
Term Loan	3.85	SMERA BB+/Stable (Assigned)
Letter of Credit	1.00	SMERA A4+ (Assigned)
Bank Guarantee	5.00	SMERA A4+ (Assigned)
Long Term Bank Facilities (Proposed)	0.90	SMERA BB+/Stable (Assigned)

*includes sub limit of bill discounting of Rs.1.00 crore

SMERA has assigned rating of '**SMERA BB+**' (read as **SMERA double B plus**) to the Rs.8.50 crore long-term (fund based) bank facility and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.6.00 crore short-term (non-fund based) bank facility of Ambit Switchgear Private Limited (ASPL). The outlook is '**Stable**'. The ratings derive comfort from the company's experienced management and established relations with customers and suppliers. The ratings also factor in the comfortable financial risk profile and healthy order book. However, the ratings are constrained by the moderate operating income, working capital-intensive operations and cyclical nature of the infrastructure industry.

Outlook: Stable

SMERA believes that ASPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management and established association with customers and suppliers. The outlook may be revised to 'Positive' if the company registers strong growth in scale of operations while achieving sustained improvement in profit margins and working capital management. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the capital structure or stretch in the working capital cycle.

Rating Sensitivity Factors

- Debt funded capital expansion
- Improvement in the working capital cycle
- Sustainable increase in revenue and profitability profile

About the Company

The Uttar Pradesh-based ASPL was incorporated in 2005 by Mr Rakesh Jain and Mr. Anand Prakash Singhal to manufacture electrical panels such as power control centres, motor control centres, switchgear panels and compact substations.

SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

For FY2014-15, the company reported profit after tax (PAT) of Rs.0.90 crore on operating income of Rs.41.71 crore, as compared with profit after tax (PAT) of Rs.1.32 crore on operating income of Rs.46.70 crore in FY2013-14. ASPL has reported operating income of Rs.31.36 crore (provisional) for nine months ended December 2015. The net worth of the company stood at Rs.14.24 crore as on March 31, 2015 against Rs.13.34 crore a year earlier.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Suman M National Sales Head – Emerging Corporate Group Tel No: 022 67141151 Cell: 9892306888 Email: suman.m@smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-011-4973 1312 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in