

Aishwarya Technologies and Telecom Limited

February 09, 2022

Ratings

Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	7.11	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	6.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	4.50	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	17.61 (Rs. Seventeen Crore and Sixty-One Lakhs Only)		

*Details of facilities in Annexure-1 *Issuer did not cooperate; Based on best available information*

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated March 03, 2017, placed the rating(s) of Aishwarya Technologies and Telecom Limited (ATTL) under the 'issuer non-cooperating' category as ATTL had failed to provide information for monitoring of the rating. ATTL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated January 12, 2022. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings factor in stretched liquidity position with continued delays in debt service obligation.

Detailed description of the key rating drivers

At the time of last rating on February 26, 2021, the following were the rating strengths and weaknesses (updated for financials for FY21 published on BSE):

Key Rating Weaknesses

Subdued financial performance in FY21 and stretched liquidity: The total operating income of the company for FY21 has been marginally lower than FY20 (Rs.10.92 crore vis-à-vis Rs.11.32 crore). Low operating income led to the under-recovery of expenses and ATTL reported operating loss of Rs.4.08 crore in FY21 against operating loss of Rs.7.30 crore in FY20. The company continues to report net loss and cash loss.

The company also has stretched collection days of around a year resulting stretched liquidity and delays in debt servicing.

Small Scale of operation: The scale of operation of the company has deteriorated significantly over the years. The company has small networth base of Rs.0.58 crore as on March 31, 2021 (Rs.5.09 crore in FY20). Due to continuous high loss incurred, the net-worth base eroded significantly.

Key Rating Strengths

Experienced promoters: The promoters of ATTL, Mr. G Rama Krishna Reddy, Rama Manohar Reddy and Mrs. G Amulya Reddy have more than two decades of experience in the telecom sector.

Exclusive distributorship from reputed clients: ATTL has exclusive distributorship from Sumitomo Electric Industries, Japan for India, Bangladesh & Sri Lanka for entire range of splicing machines. The company has further appointed re-sellers in various parts of India, Sri Lanka & Bangladesh, for promoting these splicing machines.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

About the Company

Aishwarya Technologies & Telecom Limited (ATTL) was promoted by Mr. G Rama Manohar Reddy and Mrs. G Amulya Reddy as a partnership firm named Advanced Electronics & Communications System. ATTL was formed by taking over the business of the said partnership firm. ATTL is an ISO 9001:2008 certified company, which manufactures testing & measuring equipment like fiber, data and copper cable fault locators for telephone service providers, defense sector, cable TV operators and railways. The company has its manufacturing facilities situated at Hyderabad and it supplies a wide range of telecom & fiber optic products to Bharat Sanchar Nigam Limited, Tata Tele Services, Bharati Airtel, Mahanagar Telephone Nigam Limited, railways & defense sectors in India.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	H1FY22 (UA)
Total operating income	11.32	10.92	3.50
PBILDT	-7.30	-4.08	-1.49
PAT	-6.71	-4.53	-1.31
Overall gearing (times)	1.61	6.19	NA
Interest coverage (times)	NM	NM	NM

A: Audited; UA: Unaudited; NA: Not Available; NM: Not Meaningful

Status of non-cooperation with previous CRA: Brickworks Rating vide its press release dated September 24, 2019 had placed the ratings of ATTL at Issuer Not Cooperating, which was subsequently withdrawn vide press release dated December 19, 2019.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated facility: Detailed explanation of covenants of the rated facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	December 2014	0.11	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	6.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	4.50	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No	Name of the Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	0.11	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (26-Feb-21)	1)CARE D; ISSUER NOT COOPERATING * (03-Dec-19)	1)CARE D; ISSUER NOT COOPERATING * (23-Aug-18) 2)CARE C; ISSUER NOT COOPERATING * (24-Jul-18)
2	Fund-based - LT-Cash Credit	LT	7.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (26-Feb-21)	1)CARE D; ISSUER NOT COOPERATING * (03-Dec-19)	1)CARE D; ISSUER NOT COOPERATING * (23-Aug-18) 2)CARE C; ISSUER NOT COOPERATING * (24-Jul-18)
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST *	6.00	CARE D / CARE D; ISSUER NOT COOPERATING *	-	1)CARE D / CARE D; ISSUER NOT COOPERATING * (26-Feb-21)	1)CARE D / CARE D; ISSUER NOT COOPERATING * (03-Dec-19)	1)CARE D; ISSUER NOT COOPERATING * (23-Aug-18) 2)CARE C / CARE A4; ISSUER NOT COOPERATING * (24-Jul-18)
4	Non-fund-based - ST-Letter of credit	ST	4.50	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (26-Feb-21)	1)CARE D; ISSUER NOT COOPERATING * (03-Dec-19)	1)CARE D; ISSUER NOT COOPERATING * (23-Aug-18) 2)CARE A4; ISSUER NOT COOPERATING * (24-Jul-18)

* Long Term / Short Term *Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated facilities: Not applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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