

## Advance Metering Technology Limited

November 14, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	5.00	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	8.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (Single B Plus ; Outlook: Stable/ A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>13.50</b> <b>(₹ Thirteen Crore and Fifty Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1.

### Detailed rationale and key rating drivers

CARE had, vide its press release August 19, 2021, placed the ratings of Advance Metering Technology Limited under the 'issuer non-cooperating' category as the company had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. It continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated July 19, 2022, July 20, 2022 and July 25, 2022. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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 ratings.**

The ratings have been maintained under issuer not cooperating category on account of non-receipt of requisite information and hence CARE is not able to conduct appropriate analysis.

### Detailed description of the key rating drivers

At the time of last rating on August 19, 2021, the following were the rating strengths and weaknesses (updated for the information available from BSE India):

#### Key Rating Weaknesses:

**Subdued operational performance:** Total operating income of the company decreased to Rs.14.04 crore in FY22 (PY: Rs. 20.38 crore) on account of decrease in revenue from sale of meters. The company reported losses of Rs. 2.84 cr during FY22 (PY: loss of Rs. 8.29 cr). It has also reported losses during H1FY23 for Rs.0.58 crore (Profit during H1FY22 of Rs.0.34 crore)

**Dependence on seasonal wind patterns for power generation:** Wind farms are exposed to inherent risk of climate fluctuations leading to variations in the wind patterns which affects the CUE.

**Intense competition in the industry:** Though the demand prospects in transmission and distribution of power industry are favourable given Government of India's initiatives like Power for All, Deen Dayal Upadhyaya Gram Jyoti Nana (DDUGJY), SAUBHAGYA etc., the smaller companies remain exposed to the competitive pressure from other established players. Furthermore, this industry is fragmented with large number of small and medium scale players which has a bearing on the margins of the entities operating in the industry.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

### Key Rating Strengths:

**Experienced promoters:** AMTL is controlled by Ranade family with its members being the directors In the company. Mr Pranav Kumar Ranade, the Managing Director of AMTL, Is a post graduate by qualification and has more than four decades of experience in similar line of operations which includes manufacturing of switchgears, meters etc. The experience of the promoters is expected to benefit the company in the long run.

**Moderate gearing:** Net-worth of the company has declined to Rs. 100.52 crore as on March 31, 2022 (PY: Rs. 103.71 crore), due to losses at net level during the year. However, the company's overall gearing improved significantly to 0.16x as on March 31, 2022 (PY: 0.74x) due to lower debt levels.

**Long-term fixed price PPAs:** AMTL is selling power under a 25 years' PPA with AVVNL at a tariff of Rs. 5.18 per unit and a 20 and 25 years' PPA with JoVVNL at a tariff of Rs. 4.46 per unit and Rs. 5.18 per unit respectively, which provides long-term revenue visibility

**Outlook:** Stable

**Liquidity:** Adequate

The current ratio of the company stood at 1.24x (PY: 0.93x). The company reported cash and cash equivalents of Rs 4.83 crore as on March 31, 2022 (PY: Rs 0.16 crore). CARE doesn't have any clarity on its capex plans.

**Analytical approach:** Standalone

### Applicable criteria

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

[Power Generation Projects](#)

### About the company

AMTL was incorporated In 2011 as a resulting company pursuant to the demerger of 'Eon Electric Ltd (EEL, formerly Indo Asian Fusegear Limited). AMTL is currently engaged in the manufacturing of electric meters, wind power generation, energy audit, plastics components for meters and other electrical and electronic products. AMTL has three subsidiaries namely PKR Energy Limited, Global Power Trading PTE Limited, Singapore and Advance Power and Trading GmbH, Germany in which there are no major operations. AMTL also operates 3 wind mill power projects (set-up by Suzlon and Gamesa) located in Jaisalmer district in Rajasthan with a total capacity of 11.7 MW which has been operational since 2012.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	September 30, 2022 (UA)
Total operating income	20.38	14.04	10.10
PBILDT	-2.17	-1.36	2.43
PAT	-8.29	-2.84	-0.58
Overall gearing (times)	0.82	0.16	0.07
Interest coverage (times)	-0.28	-0.77	3.04

A: Audited; UA: Unaudited

**Status of non-cooperation with previous CRA: NA****Any other information: NA****Rating history for the last three years:** Please refer Annexure-2**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3**Complexity level of various instruments rated for this company:** Annexure-4**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	5.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-BG/LC		-	-	-	8.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	5.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (19-Aug-21)	1)CARE BB-; Negative; ISSUER NOT COOPERATING* (09-Jul-20)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (25-Feb-20) 2)CARE BB+; Stable (20-Aug-19) 3)CARE BBB-; Stable (07-Jun-19) 4)CARE BBB-; Stable (04-Apr-19)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST*	8.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (19-Aug-21)	1)CARE BB-; Negative / CARE A4; ISSUER NOT COOPERATING* (09-Jul-20)	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (25-Feb-20)

								2)CARE BB+; Stable / CARE A4+ (20-Aug-19)  3)CARE BBB- / CARE A3 (07-Jun-19)  4)CARE BBB-; Stable / CARE A3 (04-Apr-19)
3	Non-fund-based - ST-Letter of credit	-	-	-	-	-	-	1)CARE A3 (04-Apr-19)
4	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (20-Aug-19)  2)Provisional CARE BBB-; Stable (07-Jun-19)  3)Provisional CARE BBB-; Stable (04-Apr-19)

\*Long term/Short term.

**Annexure-3: Detailed explanation of the covenants of the rated instruments/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	Non-fund-based - LT/ ST-BG/LC	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 instruments:** CARE Ratings 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 us:

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