



## Ashida Electronics Private Limited

Instrument	Amount	Rating Action
Fund based limit– OCC	Rs. 4.0 crore	[ICRA]BBB (Stable) assigned
Fund based sublimit of OCC – ODBD	(Rs. 3.5 crore)	[ICRA]BBB (Stable) assigned
Non Fund based limit – Bank Guarantee	Rs. 2.0 crore	[ICRA]A3+ assigned
Non Fund based sublimit of Bank Guarantee – APG	(Rs. 0.75 crore)	[ICRA]A3+ assigned
Non Fund based limits – ILC/ FLC	Rs.1.00 crore	[ICRA]A3+ assigned

ICRA has assigned the long term rating of [ICRA]BBB (pronounced ICRA triple B) to the Rs. 4.0 crore fund based facilities of Ashida Electronics Private Limited (AEPL<sup>†</sup> or the company). The outlook on the long term rating is 'Stable'.

ICRA has also assigned the short term rating of [ICRA]A3+ (pronounced ICRA A three plus) to the Rs. 3.0 crore non fund based facilities of AEPL.

The assigned ratings take into account Ashida Electronics Private Limited's (AEPL) long standing presence in the power protection equipments manufacturing business, its moderate brand recognition in domestic market particularly in the protection relays and panels' devices segment and the integration into substation automation i.e. Supervisory Control and Data Acquisition (SCADA) Systems which is likely to drive business growth. ICRA also notes the company's in-house research house focused towards technology enhancement highlighted by the recent development of the Smart Grid Solution, a superior version under SCADA Systems, is likely to sustain long term business growth. ICRA also takes note of the company's healthy profit metrics, return and coverage indicators and comfortable capital structure at present.

The ratings, however, are constrained by the company's relatively moderate scale of operations, limiting economies of scale and its relatively large exposure to the power sector. The relatively higher competition faced by the company in the export market from multi-national players is yet another challenge. The ratings also factor in the company's high working capital intensity primarily on account of business with government undertakings which normally takes a longer payment execution cycles.

### About the Company:

Promoted by the late Mr. Manohar Kulkarni and his business acquaintance Mr. S.D Naik, Ashida Electronics Private Limited (AEPL) commenced business in 1970 as a partnership concern. Subsequently, it was incorporated as a private limited company on September 19, 1994.

In 1970, the company commenced business with the manufacture of geo engineering instruments like Soil Resistivity Meters and instruments for water management solutions. In 1985 the company started manufacturing power system protection relays. Since then the company has developed a range of electromechanical, static and numerical relays indigenously. In 2004, the company marked its presence in the field of SCADA i.e. Substation Automation Systems.

The company has setup its two manufacturing facilities with a capacity to manufacture 60,000 relays annually. The company also has an independent research and development house at Wagle Industrial Estate in Thane. The company has ISO 9001:2008 certifications from M/s. BVQI, U.K. since 1997 All the relays are type tested for their vital parameters with the Central Govt. (India) Laboratories, i.e. The Institute for Design of Electrical Measuring instruments (IDEMI) & the Electronics Regional Test Laboratory (ERTL).

\* 100 lakh = 1 crore = 10 million

† For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications

**Recent Results:**

The company has recorded a profit after tax of Rs.8.4 crore on an operating income of Rs. 59.3 crore for the year ending March 31, 2013 and a profit before tax of Rs.12.0 crore on an operating income of Rs. 54.2 crore as on December 31, 2013.

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