April 03, 2024

ASM Technologies Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based – Cash credit	23.64	23.64	[ICRA]BB+ (Stable); withdrawn
Short-term – Interchangeable^	(23.64)	(23.64)	[ICRA]A4+; withdrawn
Total	**23.64**	**23.64**	

**Instrument details are provided in Annexure I, ^ The short-term interchangeable limits are sub-limits of the cash credit limits*

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **ASM Technologies Limited (ASM/ the company)** at the request of the company and based on the No Objection Certificate (NOC) received from its lender, and in accordance with ICRA's policy on withdrawal. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key rating drivers, Liquidity position, Rating sensitivities and Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: Click here

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings Rating Methodology - IT Software & Services
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of ASM.

About the company

Incorporated in 1992, ASM Technologies Limited is an IT company that provides consulting and product development services in engineering and product R&D. Its services include prototyping, testing and pilot production; value engineering; hardware and software designing of embedded systems; design and development of networking, wireless and cloud security products; product lifecycle and sustenance management; and test automation services, among others. ASM is in the process of expanding its service offerings and has recently forayed into Virtual Reality (VR), Internet of Things (IoT) and open edX platform management.

It caters to diverse industries such as semiconductor, hi-tech, medical equipment, automotive and aerospace, enterprising storage and networking, and consumer electronics. Headquartered in Bangalore, the company has about 1,195 employees providing onsite as well as offsite support services to its clients in the US. The company has a global presence across India, the US, Singapore, the UK, Canada, Mexico and Japan.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2025)				Chronology of rating history for the past 3 years				
	Type	Amount rated (Rs. crore)	Amount outstanding as of Sep 30, 2023 (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024			Date & rating in FY2023	Date & rating in FY2022
				Apr 03, 2024	Feb 23, 2024	Jul 27, 2023	Jun 08, 2023	Sep 29, 2022	Sep 21, 2021
1 Cash Credit	Long term	23.64	--	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2 Interchangeable	Short term	(23.64)	--	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A3	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+
3 Unallocated	Long term	-	--	--	--	--	--	--	--

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term - Cash credit	Simple
Short term – Interchangeable^	Simple

^ The short-term interchangeable limits are sub-limits of the cash credit limits

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Long-term fund-based – Cash credit**	NA	NA	NA	23.64	[ICRA]BB+ (Stable); withdrawn
NA	**Short term – Interchangeable***	NA	NA	NA	(23.64)	[ICRA]A4+; withdrawn

*Source: Company, * sub-limits of the cash credit limits*

Annexure II: List of entities considered for consolidated analysis:

Company Name	ASM Ownership	Consolidation Approach
Subsidiary		
ASM Digital Technologies Inc.	100.0%	Full Consolidation
ASM Digital Technologies Pte Ltd.	100.0%	Full Consolidation
ASM Technologies KK – JAPAN	100.0%	Full Consolidation
RV Forms & Gears LLP	70.0%	Full Consolidation
ASM Digital Engineering Private Limited	100.0%	Full Consolidation
ASM Engineering Pvt. Ltd.	100.0%	Full Consolidation
Step-down Subsidiary		
ASM Digital Technologies Co Limited - Thailand	100.0%	Full Consolidation
ASM Digital Engineering Pvt. Ltd.	100.0%	Full Consolidation
Joint Venture		
ASM HHV Engineering Private Limited	50.0%	Equity Method

Source: Company. As on December 31, 2023.

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545328
shamsherd@icraindia.com

Kinjal Shah
+91 22 6114 3442
kinjal.shah@icraindia.com

Mythri Macherla
+91 80 4332 6407
mythri.macherla@icraindia.com

Gaurav Anand Kanade
+91 22 6114 3469
gaurav.kanade@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

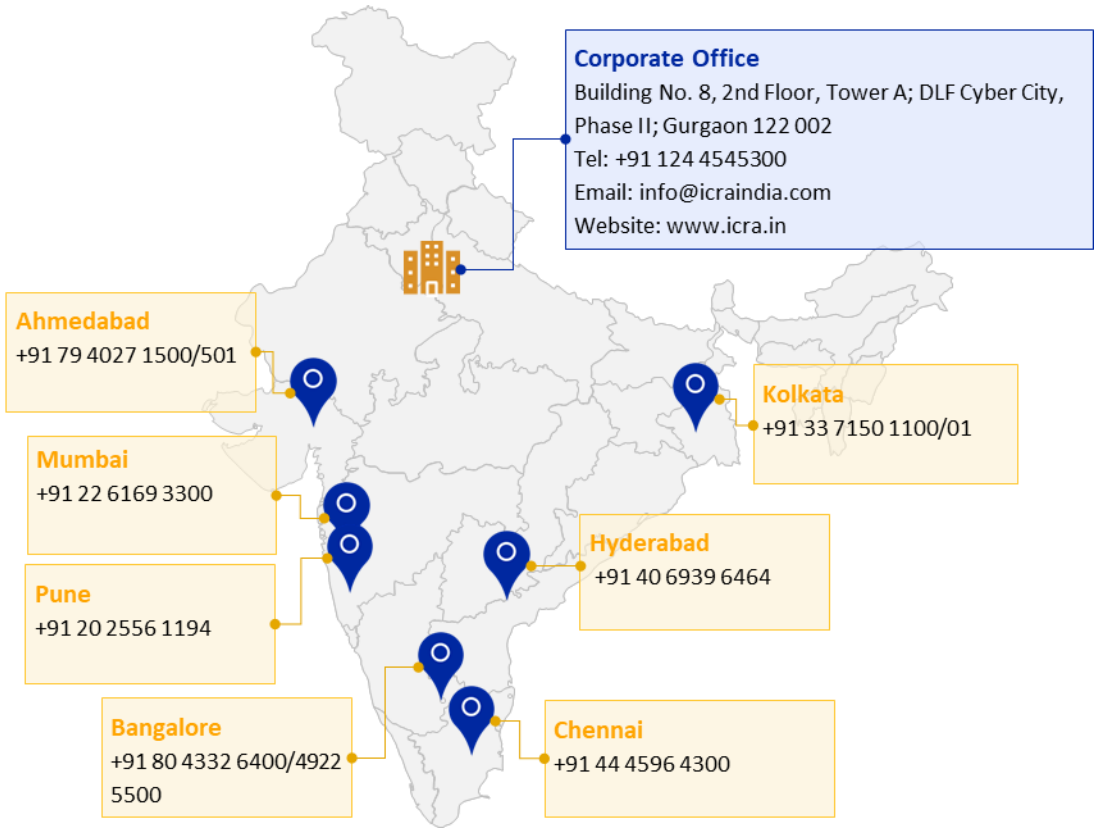
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.