

Rating Advisory

September 23, 2020| Mumbai

Advisory as on September 23, 2020

This rating advisory is provided in relation to the rating of Nirmitee Robotics India Limited.

CRISIL vide its publication dated August 31, 2020 highlighted the aspect of non-co-operation by Nirmitee Robotics India Limited.

Nirmitee Robotics India Limited has now initiated cooperation, has confirmed timeliness in debt servicing for August 2020 and has also provided 'No Default Statement' dated September 16, 2020.

You may access the Rating Rationale as appended below.

Rating Rationale

November 05, 2019 | Mumbai

Nirmitee Robotics India Private Limited

'CRISIL B+/Stable' assigned to bank debt

Rating Action

Total Bank Loan Facilities Rated	Rs.10 Crore
Long Term Rating	CRISIL B+/Stable (Assigned)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its '**CRISIL B+/Stable**' rating on the long-term bank loan facility of Nirmitee Robotics India Private Limited (NRIPL).

The rating reflects initial phase of business operations, large working capital requirements and a small network. These weaknesses are partially offset by extensive industry experience of the promoters and patented technology.

Analytical Approach

Preference shares worth Rs 175 lakh have been treated as 75% equity and remaining debt as they have zero coupon rate and would remain in the business over the medium term.

Key Rating Drivers & Detailed Description

Weaknesses

- * **Initial phase of business operations:** The Company is in business for only past two years and has a modest scale of operations, with revenue of Rs 1.97 crore in fiscal 2019. Given the small size of the industry and competition from established players the scale of operations is expected to remain modest, over the medium term.
- * **Working capital intensive operations:** Gross current assets were 386 days, as on March 31, 2019, owing to large debtors. In order to establish in the market, company provides extended credit to its customers. This along with high year-end sales have resulted in large debtor cycle of 247 days, as on March 31, 2019. Improvement in working capital management amid growing revenues remains critical.
- * **Small network:** Financial risk profile is constrained by a small network of Rs 1.52 crore as on March 31, 2019.

Strength

- * **Extensive industry experience of the promoters and patented technology:** The promoters have an extensive experience of around a decade in this industry through other ventures. Also, the ozone cleaning technology has been patented which enabled the company to establish relationships with suppliers and customers within 3 years of operations.

Liquidity: Stretched

The liquidity is expected to remain stretched over the medium term. Cash accruals are expected to remain low at around Rs 50 lakh per annum against no debt obligation. Currently, the company has no working capital debt, however, going forward, with expected increase in turnover, timely sanction of working capital bank limit remains

critical for effective working capital management. Further a small network and a modest scale constrain financial flexibility.

Outlook: Stable

CRISIL believe NR IPL will continue to benefit from the extensive experience of its promoters ad patented technology.

Rating sensitivity factor

Upward factor

- * Sustained improvement in scale of operation and sustenance of operating margin, leading to annual cash accruals of more than Rs 1 crore
- * Improvement in working capital cycle.

Downward factor

- * Decline in profitability or stretch in working capital cycle
- * Large debt-funded capital expenditure or elongated receivables weaken capital structure with gearing of more than 2 times.

About the Company

Incorporated in 2016, based out of Nagpur, NR IPL is owned & managed by Mr. Rajesh Admane, Mr. Jay Motghare and Mr. Karthik Shende. It is engaged in HVAC air duct cleaning with specialisation in ozone treatment and sterilization.

Key Financial Indicators

As on / for the period ended March 31	Units	2019	2018
Operating income	Rs crore	1.97	0.76
Reported profit after tax (PAT)	Rs crore	0.08	0.05
PAT margins	%	4.2%	6.1%
Adjusted debt/adjusted networkth	Times	0.34	0.43
Interest coverage	Times	54.85	59.14

Any other information: Not applicable

Note on complexity levels of the rated instrument:

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Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Rating assigned With outlook
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	10.0	CRISIL B+/Stable

Annexure - Rating History for last 3 Years

Instrument	Current			2019 (History)		2018		2017		2016		Start of 2016
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund-based Bank Facilities	LT/ST	10.00	CRISIL B+/Stable		--		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Proposed Long Term Bank Loan Facility	10	CRISIL B+/Stable	--	0	--
Total	10	--	Total	0	--

Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating criteria for manufacturing and service sector companies](#)

[CRISILs Approach to Recognising Default](#)

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