



## Press Release

### Panache Digilife Limited

June 18, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	29.00	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	-	Rating Assigned	<a href="#">Simple</a>
Total	29.00 (Rs. Twenty Nine Crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

Infomerics Ratings has assigned rating to the bank facilities of Panache Digilife Limited (PDL) which derive strength from improved operating performance, comfortable capital structure and debt protection metrics and experienced promoters with seasoned management team. However, rating is partially offset by working capital intensive nature of operations, customer & supplier concentration risk and intense competition from established and unorganised players.

The ratings have been assigned a stable outlook on account of better revenue visibility and its promoters industry experience.

#### Key Rating Sensitivities:

##### Upward Factors

- Substantial growth in the revenue and operating profitability leading to an improvement in the credit metrics and liquidity position on a sustained basis.

##### Downward Factors

- Any decline in the revenue or operating profitability leading to deterioration in the credit metrics on sustained basis.



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### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Improved operating performance**

The total operating income of the company has increased by ~21% Rs.116.78 crore in FY25 (period refers from 01<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025) supported by improved order execution. Further, EBITDA and PAT margin have improved to 9.82% and 5.02% respectively in FY25 (P.Y.: 6.39% and 0.40% respectively), on the back of high-margin order execution. The company has qualified under the PLI scheme for IT hardware and telecom, which is expected to support scale-up, subject to timely milestone achievement.

- **Comfortable capital structure and debt protection metrics**

The company's capital structure improved in FY25, with adjusted TOL/TNW and overall gearing reducing to 1.00x and 0.46x, respectively (FY24: 4.02x and 2.19x), aided by term loan reduction, lower working capital utilization, and equity infusion of Rs.26.14 crore (including Rs.1.59 crore via warrants). Debt protection metrics remained healthy, with DSCR and ISCR at 2.37x and 4.18x respectively in FY25, reflecting comfortable debt-servicing capability.

- **Experienced promoter and management team**

Mr. Amit Rambhia, founder and current Chairman & Managing Director of PDL, brings over 25 years of experience in the IT hardware design and manufacturing industry. The promoters' deep domain expertise of over two decades has enabled the company to forge strong relationships with customers and suppliers. The leadership is further supported by a seasoned and professional management team.



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### Key Rating Weaknesses

- **Working capital intensive operations with elongated cycle**

PDL's operations remain working capital intensive, driven by high inventory and receivables. The working capital cycle remained stretched at 187 days in FY25 (FY24: 194 days), supported by a reduction in debtor and inventory days. However, adjusted for long standing receivables of approximately ~Rs.19.5 crore, debtor days stood at 115 in FY25 (FY24: 107), highlighting continued pressure on receivables.

- **Exposure to customer and supplier concentration risk**

The company benefits from stable, long-term relationships with key customers and suppliers. However, concentration risk remains high, with ~43.23% of FY25 revenue from a single customer and ~38% of procurement from the main supplier, exposing the business to stakeholder dependency-related vulnerabilities.

- **Intense competition from established and unorganized players**

The information technology hardware sector is characterized by low entry barriers for manufacturing and assembly, which has led to heightened competition from both organized and unorganized players. This competitive landscape limits the company's bargaining power with large customers and restricts its ability to pass on price increases, thereby exerting pressure on profitability. The presence of such competition further challenges the company's ability to maintain sustainable margins in an increasingly crowded market.

**Analytical Approach:** Standalone



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### Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria for assigning Rating outlook.](#)

[Complexity Level of Rated Instrument/Facilities](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Financial Ratios & Interpretation for Non-Financial Sector](#)

### **Liquidity – Adequate**

PDL's liquidity position remained adequate as company is expected to generate cash accruals in range of Rs.9.16 Crore to Rs.17.10 crore in projected years against debt repayments of Rs.0.56 crore in same period. Current ratio of the company stood at 2.31x in FY25. Also, average utilisation of working capital limit in FY25 stood at ~63%. Company has raised money by warrants and issue of fresh equity worth Rs.26.14 crore in FY25, which provide liquidity cushion.

### **About the Company**

Panache Digilife Limited is engaged in the design, manufacturing, distribution, and servicing of ICT and IoT devices across diverse segments such as smart computing, digital classrooms, connected vehicles, retail IoT, healthcare tech, and OEM/ODM solutions. Founded by Amit Rambhia and Nikit Rambhia, the company began with white-box desktop assembly and has since expanded into Small Form Factor computing. Backed by in-house R&D, Panache has consistently developed innovative products over the past decade, supporting its position as a tech-driven electronics manufacturer in India.

### Financials (Standalone):

For the year ended* / As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	96.50	116.78
EBITDA	6.16	11.47
PAT	0.40	5.86
Total Debt	32.96	21.59
Tangible Net worth	36.46	68.38



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For the year ended* / As on	31-03-2024	31-03-2025
EBITDA Margin (%)	6.39	9.82
PAT Margin (%)	0.40	5.02
Overall gearing Ratio	2.19	0.46
Interest Coverage (x)	1.39	4.18

\* Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:**

**Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	-	-
1.	Long Term Facilities- Cash Credit	Long Term	29.00	IVR BBB-/ Stable	-	-	-

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**About Infomerics:**

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary. For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com)

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### Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing status	Rating Assigned/ Outlook
Long Term Facilities- Cash Credit	-	-	-	-	29.00	-	IVR BBB-/Stable

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Panache-Digilife-18june25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).