

## ACS Technologies Limited

### May 05, 2021

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable ISSUER NOT COOPERATING*) and Withdrawn
Short Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*) and Withdrawn
<b>Total Bank Facilities</b>	-		

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

CARE has reaffirmed and withdrawn the outstanding ratings of CARE B+; Stable [Single B Plus; Outlook: stable and CARE A4 (A Four) issuer not cooperating assigned to the bank facilities of ACS Technologies Limited with immediate effect. The above action has been taken at the request of ACS Technologies Limited and 'No Objection Email' received from HDFC Bank that have extended the facilities rated by CARE.

The company has not availed RBI moratorium period from March 2020 to August 2020.

**Detailed description of the key rating drivers**

The scale of operations of the company marked by total operating income and GCA of Rs.61.58 crore and Rs.5.56 crore in FY20. The scale of operations stood modest during the review period. The operating cycle days of the company is elongated during FY20 and stood at 110 days in FY20. The total operating income increased from Rs. 42.29 crore in FY18 to Rs. 61.58 crore in FY20. The PBILDT margin of the company increased 5.27% in FY18 to 13.86% in FY20. The PAT margin also increased from 3.56% in FY18 to 6.03% in FY20 due to increase PBILDT in absolute terms. The capital structure of the company marked by debt equity ratio and overall gearing ratio stood satisfactory at 0.68x and 0.58x as on 31<sup>st</sup> March 2020. The debt coverage indicators marked by Total debt/GCA and interest coverage ratio stood satisfactory at 3.33x and 3.95x in FY20.

**Analytical approach:** Standalone

**Applicable Criteria**

[Policy on Withdrawal of ratings](#)

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

[Criteria on assigning Outlook to Credit Rating](#)

[Criteria for Short Term Instruments](#)

[CARE's default recognition policy](#)

[Financial ratios - Non Financial Sector](#)

[Rating Methodology -Service Sector Companies](#)

**About the company**

Established in 1980, ACS Technologies Limited (ACS) is engaged in providing information technology enabled services. It provides services in the areas of IT infrastructure management, security applications, software support and digitization of records. After having more than three decades of track record in multiple verticals and technology domains, ACS offers a wide range of state-of-the-art IT services. The clientele of the company comprises of Government sector, corporate/private sector, Multinational Corporation (MNC's), Academic/research institutions and banks.

Brief Financials (Rs. crore)	31-03-2019	31-03-2020
	A	A
Total operating income	50.97	61.58
PBILDT	6.51	8.53
PAT	3.12	3.71
Overall gearing (times)	1.70	1.58
Interest coverage (times)	3.57	3.95

A: Audited;

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Not Applicable

**Rating History:** Please refer Annexure-2

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-Bank Guarantees	-	-	-	0.00	Withdrawn

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (20-Apr-20)	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (14-Feb-19)
2.	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (20-Apr-20)	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (14-Feb-19)
3.	Non-fund-based - ST-Bank Guarantees	ST	-	-	-	1)CARE A4; ISSUER NOT COOPERATING* (20-Apr-20)	-	1)CARE A4; ISSUER NOT COOPERATING* (14-Feb-19)

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

**Annexure 4: Complexity level of various instruments rated for this Company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Non-fund-based - ST-Bank Guarantees	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

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