

JULY 28, 2015

CARE REVISES THE RATINGS ASSIGNED TO THE BANK FACILITIES OF ATISHAY INFOTECH LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	1.51	CARE BBB (Triple B)	Revised from CARE BBB- (Triple B Minus)
Short term Bank Facilities	4	CARE A3+ (A Three Plus)	Revised from CARE A3 (A Three)
Total Facilities	5.51 (Rupees Five crore Fifty One lakh only)		

Rating Rationale

The revision in the ratings assigned to the bank facilities of Atishay Infotech Limited (AIL) was primarily on account of healthy growth in the scale of operations, increase in net profitability margins and cash accruals, improvement in liquidity as well as capital structure and debt coverage indicators during FY15 (refers to the period April 1 to March 31). The ratings also take note of the company's diversification in its business activities with the recent empanelment with BSNL and manufacturing of Radio Frequency Identification (RFID) based devices.

The ratings continue to derive strength from experienced and professionally qualified management, well-established track record in database management business, diverse geographical presence and service offerings within the information technology segment and reputed clientele.

However, the ratings continue to remain constrained by the modest scale of operations, client concentration risk, aggressive competition from other established players and stringent qualitative parameters while awarding large-sized projects and the risk associated with the ongoing capex in the hospitality sector.

The ability of AIL to increase its scale of operation through timely execution of the orders in hand, diversify its product portfolio and client base alongwith the successful completion of the capex will remain the key rating sensitivities.

Background

AIL was incorporated as a proprietorship firm in 1989 by Mr Akhilesh Jain who is a chartered accountant. Later in March 2000, AIL was reconstituted as a private limited company and in May 2013, it has been reconstituted as a public limited company. Furthermore, it got listed on the SME platform of Bombay Stock Exchange (BSE) in October 2014. AIL provides services like large scale data entry, scanning solutions, database management, etc. AIL is an ISO 9001:2008 and ISO/IEC 27001:2005 certified company and has been executing the projects like electoral roll printing and electoral photo identity card for various state governments. It has been involved in projects such as Rashtriya Swasthya Bima Yojna (RSBY), Lok Seva Kendra (LSK) and digitisation of cadastral maps for the Government of Madhya Pradesh. AIL is empanelled by Unique Identification Authority of India (UIDAI) to work for Aadhaar scheme across Rajasthan, Madhya Pradesh (M.P.), Maharashtra, Bihar, Delhi, Uttar Pradesh (U.P.), Jammu & Kashmir (J&K), Jharkhand, Chhattisgarh, Gujarat, Uttarakhand and Goa.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

During FY15, AIL reported a total operating income (TOI) of Rs.19.72 crore with a PAT of Rs.3.42 crore as against a TOI of Rs.15.26 crore with a PAT of Rs.2.45 crore during FY14.

Analyst Contact

Name: Mohit Agrawal

Tel: (079) 40265612

Email: mohit.agrawal@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CONTACT

Head Office Mumbai

Mr. D.R. Dogra

Managing Director
 Mobile: +91-98204 16002
 E-mail: dr.dogra@carerating.com

Ms. Meenal Sikchi

Vice President - Bank Loan & Instrument Rating
 Mobile: +91-9819009839
 E-mail: meenal.sikchi@carerating.com

Mr. Rajesh Mokashi

Dy. Managing Director
 Mobile: +91-98204 16001
 E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Vice President - Bank Loan & Financial Services
 Mobile: +91-9819698985
 E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
 Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

Other Office:

503, Kaledonia, Sahar Road, Near Andheri Railway Station, Andheri (E), Mumbai - 400 069
 Tel: +91-22-6144 3456 | Fax: +91-22-6144 3556

AHMEDABAD
Mr. Mehul Pandya

32, Titanium, Prahaladnagar Corporate Road,
 Satellite, Ahmedabad - 380 015
 Cell: +91-98242 56265
 Tel: +91-79-4026 5656
 E-mail: mehul.pandya@careratings.com

BENGALURU
Mr. Dinesh Sharma

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
 No. 30, M.G. Road, Bangalore - 560 001.
 Cell: +91-99000 41975
 Tel: +91-80-4115 0445, 4165 4529
 E-mail: dinesh.sharma@careratings.com

CHANDIGARH
Mr. Sajan Goyal

2nd Floor, S.C.O. 196-197, Sector 34-A,
 Chandigarh - 160 022.
 Cell: +91 99888 05650
 Tel: +91-172-5171 100 / 09
 Email: sajan.goyal@careratings.com

CHENNAI
Mr. V Pradeep Kumar

Unit No. O-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.
 Cell: +91 98407 54521
 Tel: +91-44-2849 7812 / 0811
 Email: pradeep.kumar@careratings.com

HYDERABAD
Mr. Saikat Roy

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
 Hyderabad - 500 029.
 Tel: +91-40-4010 2030
 E-mail: saikat.roy@careratings.com

JAIPUR
Mr. Harsh Raj Sankhla

304, Pashupati Akshat Heights, Plot No. D-91,
 Madho Singh Road, Near Collectorate Circle,
 Bani Park, Jaipur - 302 016.
 Cell: +91 - 94139 69100
 Tel: +91-141-402 0213 / 14
 E-mail: harshraj.sankhla@careratings.com

KOLKATA
Ms. Priti Agarwal

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.
 Cell: +91-98319 67110
 Tel: +91-33- 4018 1600
 E-mail: priti.agarwal@careratings.com

NEW DELHI
Ms. Swati Agrawal

13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.
 Cell: +91-98117 45677
 Tel: +91-11-4533 3200
 E-mail: swati.agrawal@careratings.com

PUNE
Mr. Rahul Patni

9th Floor, Pride Kumar Senate,
 Plot No. 970, Bhamburda, Senapati Bapat Road,
 Shivaji Nagar, Pune - 411 015.
 Cell: +91-78754 33355
 Tel: +91-20- 4000 9000
 E-mail: rahul.patni@careratings.com

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