

SEPTEMBER 21, 2016

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF ATISHAY LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	5.20 (enhanced from 1.51)	CARE BBB (Triple B)	Reaffirmed
Short-term Bank Facilities	4	CARE A3+ (A Three Plus)	Reaffirmed
Total	9.20 (Rupees Nine crore and Twenty lakh only)		

Rating Rationale

The ratings assigned to the bank facilities of Atishay Limited (AIL) continue to derive strength from healthy profit margins as well as comfortable capital structure and debt coverage indicators, although deteriorated marginally during FY16 (refers to the period April 1 to March 31). The ratings also take note of the company's generation of revenue from its newly established services from FY16 as well as commencement of operations from its newly set-up hotel business from April 2016 onwards. 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 client concentration risk, aggressive competition from other established players and stringent qualitative parameters while awarding large-sized projects. The ratings also take note of the decrease in scale of operations during FY16.

The ability of AIL to increase its scale of operations, diversify its client base and product portfolio along with increasing the occupancy levels for its newly-established hotel business will remain the key rating sensitivities.

Background

AIL was incorporated as a proprietorship firm in 1989 by Mr Akhilesh Jain. Later in March 2000, AIL was reconstituted as private limited company and in May 2013, it has been reconstituted as a limited company by the name of Atishay Infotech Limited. Furthermore, it got listed on Bombay Stock Exchange (vide listing in SME Exchange) in October 2014 through public issue. Atishay Infotech Limited rechristened its name to Atishay Limited in January 2016. 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 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.

AIL has also developed application programming interface (API) by acting as an e-distributor/e-pin franchisee via empanelment with BSNL, works as a local service provider for e-Mitra project of the Government of Rajasthan and has also ventured into hospitality sector by setting up "Hotel Atishay" in Bhopal in the year 2016, while it is in the process of developing software for Radio Frequency Identification (RFID) devices.

During FY16, AIL reported a total operating income (TOI) of Rs.18.85 crore with a PAT of Rs.3 crore as against TOI of Rs.19.72 crore with a PAT of Rs.3.42 crore in FY15.

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

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****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.

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