APRIL 12, 2016

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF BIRLASOFT INDIA LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Long-term Bank Facilities	65 (enhanced from 35)	**CARE A+ (Single A Plus)**	Reaffirmed
Short-term Bank Facilities	5 (reduced from 35)	**CARE A1+ (A One Plus)**	Reaffirmed
Total Facilities	**70 (Rupees Seventy Crore only)**		

Rating Rationale

The ratings assigned to the bank facilities of Birlasoft (India) Limited (BSIL) continue to derive strength from its strong parentage being part of C.K Birla group with long track record in IT consulting business, comfortable financial risk profile, reputed client base and alliances made by the company to drive business growth. These rating strengths are, however, partially offset by the company's dependence on economic conditions of the foreign markets, client and geographical concentration, exposure to foreign currency fluctuation and stiff competition from established IT companies.

Going forward, the ability of the company to maintain profitable growth in its scale of operations in a highly competitive industry scenario without adversely impacting its capital structure will remain the key rating sensitivities.

Background

BSIL, part of CK Birla Group, was incorporated in 1995. BSIL is chaired by Mrs Amita Birla, wife of Mr CK Birla, who is also one of the directors in the company. The company is headed by Mr Anjan Lahiri, Managing Director & CEO, who joined BSIL in April 2015.

BSIL is a global provider of IT solutions and services with operations across USA, Europe and APAC region. The company provides services in the areas of software development, package implementation, application management and testing. The main focus of the company is software implementation, testing and product development. BSIL leverages its domain knowledge in the areas of banking, financial services, manufacturing, healthcare and ERP implementation. BSIL has global development delivery centers in India with sales operations in USA, UK, and APAC.

The group structure was reorganized In July 2014 in which Birla Soft Technologies Ltd (BSTL) (formerly Birla Soft Limited and BSIL being step down subsidiary of BSTL) and Birlasoft Enterprises Ltd (BEL) (wholly-owned subsidiary of BSTL) have been merged with BSIL. As a result of this restructuring, all the foreign subsidiaries have become subsidiary of BSIL.

BSIL, at a consolidated level, reported a total income of Rs.1,034.15 crore with a PAT of Rs.70.92 crore in FY15 (refers to the period April 1 to March 31) as compared with the total income of Rs.921.77 crore with a PAT of Rs.124.80 crore in FY14. As per the unaudited 9MFY15 results (refers to the period April 1 to December 31), the company earned a PAT of Rs.111.53 crore on an operating income of Rs.825.28 crore.

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

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

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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CIN - L67190MH1993PLC071691