

JULY 14, 2016

CARE REVISES THE RATINGS ASSIGNED TO THE BANK FACILITIES OF SAKSOFT LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	21 [Reduced from Rs.22 crore]	CARE BBB + (Triple B Plus)	Revised from CARE BBB (Triple B)
Short-term Bank Facilities	20	CARE A3+ (A Three Plus)	Revised from CARE A3 (A Three)
Total Facilities	41 (Rupees Forty One crore only)		

Rating Rationale

The revision in the ratings assigned to the bank facilities of Saksoft Limited (Saksoft) factors in the improvement in financial profile of the company during FY16 (refers to the period April 01 to March 31) reflected by the improved profitability, capital structure and comfortable coverage indicators. The ratings also derive strength from the company's long operational track record, vast industrial experience of promoters with a well-qualified management team and strong client relationships.

The ratings are, however, constrained by the medium sized operations of the company with marginal growth in revenues during FY16, customer & geographical concentration risk and intense competition present in the highly fragmented IT industry.

The ability of Saksoft to grow its revenues by adding new clients both in business intelligence & testing segments, sustain its profitability levels and manage the revenue concentration risk are key rating sensitivities.

CARE continues to take a consolidated view of Saksoft and its subsidiaries, considering the strong operational and financial linkages. All the companies are engaged in similar line of business under a common management.

Background

Established in 1999 by Mr Autar Krishna and his son Mr Aditya Krishna, Saksoft is engaged in providing business intelligence and information management solutions predominantly to mid-tier companies based out of USA and UK. Saksoft initially catered to the BFSI segment before diversifying to ecommerce, manufacturing, public sector and education verticals. Over the years, Saksoft has grown both organically and inorganically by acquiring various companies in complementary line of business expanding its product offerings. The company now offers associated services like application development, testing & quality control and cloud based solutions along with Information Management (IM) and Business Intelligence (BI) solutions.

As on March 31, 2016, Saksoft had 6 subsidiaries (5 wholly-owned subsidiaries and one where the company holds 51% stake) and 4 step-down subsidiaries across geographies like US, UK, Germany, France and Singapore. Saksoft is a public limited company listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

During FY16, the company reported a net profit of Rs.21.78 crore on total operating revenue of Rs.243.73 crore as against net profit of Rs.17.37 crore on total operating revenue of Rs.231.40 crore in FY15.

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

Analyst Contact

Name: Mr Harihara Subramanian

Tel: 044-28490876

Cell: +91 97899 98514

Email: harihara.subramanian@careratings.com

****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.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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. Saikat Roy**

Mobile: + 91 98209 98779

E-mail: saikat.roy@careratings.com

Mr. Amod Khanorkar

Mobile: + 91 98190 84000

E-mail: amod.khanorkar@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

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. Deepak Prajapati**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

E-mail: deepak.prajapati@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

COIMBATORE**Mr. V Pradeep Kumar**

T-3, 3rd Floor, Manchester Square

Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com

HYDERABAD**Mr. Ramesh Bob**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.

Cell : + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: ramesh.bob@careratings.com**JAIPUR****Mr. Nikhil Soni**304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

Cell: +91 - 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: nikhil.soni@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. Pratim Banerjee**9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691