

FEBRUARY 18, 2015

CARE REAFFIRMS THE RATINGS ASSIGNED TO BANK FACILITIES OF SILVER TOUCH TECHNOLOGIES LTD.

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	20.02	CARE BBB (Triple B)	Reaffirmed
Long term/Short term Bank Facilities	13	CARE BBB/ CARE A3+ (Triple B)/(A Three Plus)	Reaffirmed
Total Facilities	33.02		

Rating Rationale

The ratings assigned to the bank facilities of Silver Touch Technologies Limited (STTL) continue to derive strength from its well-qualified and experienced promoters, long track record of operations with diversified & reputed customer base, healthy order book along with moderate profitability and comfortable leverage & debt coverage indicators.

The ratings, however, continue to be constrained on account of its moderate scale of operations, increase in receivables, exposure to risk associated with Government projects and its presence in an intensely competitive Information Technology (IT) segment.

The ability of STTL to increase its scale of operations and improve its profitability while maintaining its capital structure and efficiently managing its working capital requirements especially receivables are the key rating sensitivities.

Background

Ahmedabad-based (Gujarat) STTL was incorporated on February 2, 1995, and is promoted jointly by technocrats Mr Vipul Thakkar, Mr Palak Shah, Mr Jignesh Patel and Mr Minesh Doshi.

STTL is engaged in providing IT solutions such as hardware, software and network integration to various state as well as central government authorities. It is also engaged in the business of software development, web designing & multimedia, e-commerce solutions, e-governance, search engine optimisation, mobile application development, business software services, etc.

Furthermore, STTL is engaged in providing services to offshore software companies to set up their virtual software team in India. The headquarters of STTL are located at Ahmedabad with regional offices in Delhi, Rajkot, Gandhinagar and Vadodara. Apart from India, STTL has business development centers in USA, UK, France, Germany, Sweden and Australia. STTL has been accredited with CMMi5, ISO 9001:2008, ISO 27001 and ISO 20000 certifications for observing international standards in a wide scope of activities like manufacturing, sales & services of peripherals & networking products as well as design & development of software/portals.

As per audited results for FY14 (refers to the period April 1 to March 31), STTL earned a PAT of Rs.6.03 crore on a total operating income (TOI) of Rs.108.34 crore as against a PAT of Rs.4.61 crore on a TOI of Rs.80.37 crore in FY13. Furthermore, as per the provisional results for 9MFY15, STTL has registered a TOI of Rs.75.21 crore with a PBT of Rs.5.33 crore.

Analyst Contact

Name: Mr. Vishal Joshi

Tel: 079- 40265656

Email: vishal.joshi@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.

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

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. D.R. Dogra

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

Mr. Rajesh Mokashi

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

Ms. Meenal Sikchi

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

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

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

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

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

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

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

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

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

CIN - L67190MH1993PLC071691