APRIL 26, 2016

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF SOFTTECH ENGINEERS PRIVATE LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Long-term Bank Facilities	5.00	**CARE BB+ (Double B Plus)**	Reaffirmed
Short-term Bank Facilities	8.68	**CARE A4 (A four)**	Reaffirmed
Total Facilities	**13.68 (Rupees Thirteen crore Sixty Eight lakh only)**		

Rating Rationale

The ratings assigned to the bank facilities of Softtech Engineers Private Limited (SEPL) are constrained on account of the small scale of operations with customer concentration risk emanating from major chunk of revenues coming from various governments departments resulting in high collection period.

The ratings draw support from the experience of the promoters of around two decades, reputed and established client base, geographically diversified customer base, healthy outstanding order book position providing revenue visibility over the medium term and financial risk profile marked by decline in profitability margin but improvement in solvency and liquidity position for the year ended March 31, 2015.

Background

SEPL was incorporated in 1996 and is based out of Pune. It is an ISO 9001:2008 certified company, and into development of software solutions for architecture, engineering and construction (AEC) industries. The company offers its services to government as well as private players. The major customers of SEPL in Government sector include municipal corporations, public works departments, Confederation of Real Estate Developers' Association of India (CREDAI) etc., while in private sector it offers its services in the Indian as well as in international market.

Out of the total income in FY15, government contracts contributed to around 80% while the remaining was contributed by clients in the private sector. The major customers in private sector include Lambert (Nigeria), Yahya Constructions (Oman), MEP Tech (UAE), Raj Group (India), etc.

SEPL has classified its products into three categories *(on the basis of its customers)* viz. for Government and large infrastructure companies (products – AutoDCR, PWIMS, PreDCR), for construction enterprises & real estate companies (products – Opticon Nano, opticon 360, Opticon Galaxy, QE – Pro) and for educational institutes (products – EDU – Plus suite, ELearning Suite).

Out of the total product portfolio, AutoDCR contributed around 50% to the total income for FY15 (refers to period from April 01, 2014 to March 31, 2015) followed by Opticon*(around 10%)* and remaining by other products. The products

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

developed by SEPL cater to the entire lifecycle of construction i.e. from planning a lay out, approval for the same, budgeting, area calculation, execution of plan etc. Further, the products for educational institutes cater to the need of e-learning for institutes. During 11MFY16 total income for SEPL stood at around Rs.34 crore (unaudited).

SEPL has won many accolades for its excellence in work. Recently it has been honoured with Auto DSR National E-Governance Award – 2014, Smart City National Award – 2014, SKOCH Award of Merit – 2014 and NASSCOM Top50 most Innovative Companies Award – 2014 to name a few.

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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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