

Rating Rationale

ACN Infotech (India) Pvt Ltd

28 June 2018

Brickwork Ratings has reviewed the rating assigned to the Bank Loan Facilities of Rs. 52.00 Crores of ACN Infotech (India) Pvt Ltd, based on best available information, as the issuer did not cooperate. Accordingly the rating for the said Bank Loan Facilities is reaffirmed at BWR A3 ISSUER NOT COOPERATING*

Particulars:

Facility#	Amount (Rs Crs)		Tenure	Rating ¹	
	Previous	Present		Previous (31-Mar-2017)	Present
Non Fund based: Foreign Bank Guarantee	52.00	52.00	Short term	BWR A3 [Pronounced BWR A Three]	BWR A3 ISSUER NOT COOPERATING* (Pronounced as BWR A Three) Reaffirmed & Migrated to ISSUER NOT COOPERATING* category
Total	52.00	52.00	Rupees Fifty Two Crores Only		

*Issuer did not cooperate; Based on best available information.

Annexure I shows details of credit facilities

¹Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Reaffirmed & Migrated to ISSUER NOT COOPERATING* category

Nature of Non Cooperation:

The Rating assigned to the bank loan facilities of *ACN Infotech (India) Pvt Ltd*, was due for annual review in March 2018. In accordance with the rating contract/agreement, BWR took up with the issuer to provide required information and comply with other terms through several emails and telephonic communication. However, the management has not provided the information and has remained uncooperative with respect to other terms of the Rating Contract/Agreement. In the absence of adequate information from the Company and the non-compliance with the other terms of the Rating Contract/Agreement, BWR is unable to assess the issuer's financial performance and its ability to service its bank loan obligations and maintain a valid rating. Hence, on account of inadequate information and lack of management cooperation, Brickwork Ratings has reaffirmed the rating of the said bank loan facilities at **BWR A3 ISSUER NOT COOPERATING***.

*Issuer did not cooperate; Based on best available information.

Limitations of the rating

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible

deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

About the Company

ACN Infotech (India) Pvt Ltd was established in 2001 at Visakhapatnam and is primarily engaged in the business of providing content management, IT & BPO services in the domains of Business Process Management (BPM), Document Management System (DMS) and Systems Integration Services.

Financial Performance (As per information furnished to BWR in Mar 2017)

At standalone level, the Company reported revenues of Rs 4.52 Crs in FY16 when compared to Rs 4.45 Crs in FY15. Profit after tax was Rs 0.12 Crs in FY16. At Consolidated level, the reported revenues were Rs 131.31 Crs in FY16 as against Rs 93.15 Crs in FY15. At Consolidated level, PAT stood at Rs 26.45 Crs in FY16. On a provisional basis, the Group had reported consolidated revenues of ~Rs 95 Crs for 9MFY17.

Rating History for the last three years

Sl. No.	Facility	Current Rating (2018)			Rating History		
		Tenure	Amount (Rs Crs)	Rating	31-Mar-2017 [^]	16-Mar-2016 [^]	20-Oct-2014 [^]
1.	Non Fund based Limits: Foreign Bank Guarantee	Short term	52.00	BWR A3 ISSUER NOT COOPERATING* (Pronounced as BWR A Three) Reaffirmed & Migrated to ISSUER NOT COOPERATING* category	BWR A3 Reaffirmed	BWR A3 Upgraded	BWR A4+ Assigned
	Total		52.00	Rupees Fifty Two Crores Only			

* Issuer did not cooperate; Based on best available information

[^]Amount rated: Rs 52.00 Crs

Status of non-cooperation with other CRA: Not Applicable.

Any other information: Not Applicable.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short term Debt](#)
- [What Constitutes Non-Cooperation](#)
- [Services Sector](#)

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ACN Infotech (India) Pvt Ltd
Annexure I: Details of the Bank Loan facilities rated

Nature of Facilities	Bank: Canara Bank, Siripuram branch, Visakhapatnam	Amount (Rs Cr)
Non Fund based Limits: Foreign Bank Guarantee		52.00
Total		Rs 52.00 Cr [Rupees Fifty Two Crores Only]

Note: Above FBG limits comprise of Euro 3.00 Mio and USD 4.50 Mio
The above rated limits are as per information furnished to BWR in Mar 2017.

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.