

Rating Rationale

Brickwork Ratings assigns ‘BWR BBB-’ for long term Bank Loan Facilities & ‘BWR A3’ for the short term Bank Loan Facilities of Ashtech Infotech Pvt Ltd.

Brickwork Ratings (BWR) has assigned the **Ratings**¹ of ‘BWR BBB-’ & ‘BWR A3’ for the Bank Loan Facilities of ₹ 10.67 Cr of Ashtech Infotech Pvt Ltd.

Facility	Existing Limits (₹ Cr)	Tenure	Rating
Fund Based (FB)		Long Term	BWR BBB- (Pronounced BWR Triple B Minus) Outlook : Stable
Cash Credit*	6.00		
Term Loan	2.17		
Non Fund Based (NFB)		Short Term	BWR A3 (Pronounced BWR A Three)
BG**	2.50		
Total	10.67	(INR Ten Crores and Sixty Seven Lakhs only)	

*Sublimit: *LC of ₹ 2.00 Crores; ** Off Balance Sheet Exposure ₹ 0.02 Crores*

BWR has principally relied upon the audited financial results up to FY13, provisional financials of FY14, projected financials, publicly available information and information/clarification provided by the company’s management.

The rating has inter-alia factored the promoter’s extensive experience in the system integration business, long operational track record and established market position, long standing relationship with reputed customer base, pre-order based nature of operation, above average financial risk profile and diversified base of customers. The rating is however constrained by highly fragmented nature of the industry and relatively modest scale of operation.

Company Profile:

Ashtech Infotech Pvt Ltd (AIPL), incorporated in Nov 1993, is a system integrator in the IT hardware industry. AIPL also offers other services such as Infrastructure management services, storage, security and recovery solutions. AIPL is generating revenue primary from its business of System Integration, FMS Services (Facility Management Services), Annual Maintenance Contracts and Sale of Support Packs. AIPL have wide ranges of reputed customer and supplier base. Some of its customers include ICICI Bank, HDFC Bank, IndusInd Bank, Citi Bank, BPCL, Blue Star, Axis Bank, HCL Infosystem etc.

Financial Performance:

AIPL’s revenue improved by approximately 11% to Rs 74.84 Crores in FY14 (provisional) from Rs 67.40 Crores in FY13. Overall profit after tax of the firm stood at Rs 3.14 Crores in FY14 as against the PAT of Rs 1.72 Crores in FY13 and Rs 1.31 Crores in FY12.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Rating Outlook:

AIPL has experienced promoters and diversified and reputed customer base. However, the firm has weak profitability indicators and moderate scale of operation. Going forward, the ability of the company to improve its profitability margin, revenue and maintain the revenue growth momentum are the key rating sensitivities.

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