

Rating Rationale

Brickwork Ratings reaffirms the rating ‘BWR BBB-’ and ‘BWR A3’ for enhanced Bank Loan Facilities amounting to ₹ 13 Cr of Ashtech Infotech Private Limited.

Brickwork Ratings (BWR) has reaffirmed the following **Rating¹** for the Bank Loan Facilities amounting to ₹ 13.00 Cr of **Ashtech Infotech Private Limited**

Facility	Proposed Limits (₹ Cr)	Previous Limits (₹ Cr)	Tenure	Rating History	Reaffirmed Rating
Fund Based:			Long Term	BWR BBB-	BWR BBB-
Cash Credit#	7.00	6.00		(Pronounced BWR Triple B Minus)	(Pronounced BWR Triple B Minus)
Term Loan	2.00	2.17		(Outlook:Stable)	(Outlook:Stable)
Total FB	9.00	8.17			
Non Fund Based:			Short Term	BWR A3 (Pronounced BWR A Three)	BWR A3 (Pronounced BWR A Three)
BG*	4.00	2.50			
LC *		(2.00)			
Total NFB	4.00	2.50			
Off Balance Sheet Exposure (Within BG Limits)	(0.02)	(0.02)			
Total	13.00	10.67	INR Thirteen Crores Only		

Please refer to BWR website www.brickworkratings.com for definition of the rating assigned.

*Interchangeable limits between BG and LC but not to form part of CC for proposed limits

LC of ₹ 2.00 Crores within CC for previous limits

BWR has principally relied on audited financials results up to FY 14, provisional financials for FY15 and projected financials of Ashtech Infotech Private Limited up to FY 16, publicly available information and information /clarification provided by the Company’s management.

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

The rating factors inter-alia the promoters’ extensive background and experience in 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 competitive nature of industry and relatively modest scale of operation.

Background

Ashtech Infotech Private Limited (AIPL) was incorporated in 1993. AIPL 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 generates its revenue primarily from its business of System Integration, FMS Services(Facility Management Services), Annual Maintenance Contracts and Sale of Support Packs. AIPL has wide range of reputed customer and supplier base. Some of its customers include ICICI Bank, Citi Bank, HDFC Bank, IndusInd Bank, BPCL, Axis Securities etc.

Financial Performance

AIPL’s revenue is expected to improve by approximately by 28.2% to Rs 96.00 Crores in FY 15 from Rs 74.83 Crores in FY 14. Overall profit after tax of the firm is expected to be Rs 4.50 crores in FY 15, as against the PAT of Rs 3.51 crores in FY 14 and Rs 1.72 crores in FY 13. The gearing is expected to be 0.75 times in FY 15 as against 0.87 times in FY 14. The current ratio in FY 14 stood at 1.05 times and in FY 15 it is expected to be at 1.21 times.

Rating Outlook

The outlook of the Company is expected to be stable. The rating reflects the experience of promoters in industry and long standing relations with reputed customer base. Going forward the Company’s ability to improve its profitability, revenue, maintain the revenue growth momentum and managing short term liquidity will be key rating sensitivities.

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