

Rating Rationale

Brickwork Ratings assigns 'BWR B+' & 'BWR A4' for the Bank Loan Facilities of Rs 8.50 Cr of Indigo Information Systems Pvt. Ltd

Brickwork Ratings assigns the following **Ratings**¹ for the Bank Loan facilities of **Indigo Information Systems Pvt. Ltd (Indigo Information Systems Pvt. Ltd or the 'Company')**:

Facility	Limits (₹ Cr)	Tenure	Rating
Cash Credit	8.00	Fund Based (Long Term)	BWR B+ (Pronounced BWR B Plus) Outlook-Stable
Bank Guarantee	0.50	Non Fund Based (Short Term)	BWR A4 (Pronounced BWR A Four)
Total	8.50	(INR Eight Crores & Fifty Lakhs Only)	

BWR has essentially relied upon the company's audited financial results upto FY16, publicly available information and the information/clarifications provided by the Company.

The ratings draws strength from the extensive experience of the promoter in the same line of business, professional management team, reputed clientele and the healthy growth prospects of the industry. However, the rating is constrained by the modest scale of operations, industry competition and working-capital-intensive operations.

Background

Indigo Information Systems Pvt. Ltd (IISPL) is an ISO 9001-2008, incorporated in 2004 as a private ltd company and its registered office is situated at Bangalore , Karnataka. IISPL provides IT enabled services and software development solutions in the area of RFID (Radio frequency identification) , Biometric, GPS (Global Positioning System), GIS (Geographic Information System), Document Management, e-Governance Solutions etc. The company's has reputed client base viz., BBMP (Bangalore City Corporation), BWSSB (Bangalore Water Supply and Sewerage Board) etc.

Management

The directors are Mr. Madhusudhan Shetty, Mr .Harikumar V S and Mr. Santosh Udhyava. Mr. Madhusudhan Shetty is the Managing Director and has vast experience of more than two decades in software development sector.

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

Financial Performance

The company has reported Net Revenue of Rs .9.21 Cr and PAT of Rs 0.17 Cr in FY 16 as against Net Revenue of Rs 4.86 Cr and PAT of Rs. 0.14 Cr in FY15. Tangible net worth stood at Rs 1.11 Cr as on March 31, 2016 as against Rs. 0.93 Cr as on March 31 2015.

Rating Outlook

The outlook is expected to be stable over the next one year. Going forward, ability of the company to increase the turnover levels and profitability, increase its scale of operations and manage its working capital efficiently would be the key rating sensitivities.

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