



Press Release

Ishan Infotech Limited

May 15, 2024

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	9.80	IVR BBB-/Negative; ISSUER NOT COOPERATING* (IVR Triple B Minus with Negative Outlook; Issuer Not Cooperating) *	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Proposed Long term Bank Facilities	0.20	IVR BBB-/Negative; ISSUER NOT COOPERATING* (IVR Triple B Minus with Negative Outlook; Issuer Not Cooperating) *	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	45.25	IVR A3; ISSUER NOT COOPERATING* (IVR A Three; Issuer Not Cooperating) *	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Proposed Short Term Bank Facilities	4.75	IVR A3; ISSUER NOT COOPERATING* (IVR A Three; Issuer Not Cooperating) *	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Total	60.00 (Rupees Sixty crore only)			

**Issuer did not cooperate; based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

Infomerics has downgraded the ratings assigned to the bank facilities of Ishan Infotech Limited due to lack of adequate information available and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



Press Release

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide email communications dated February 25, 2024, February 27, 2024, April 5, 2024, May 3, 2024, and May 6, 2024, and concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the ratings.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the ratings for the bank facilities of Ishan Infotech Limited aggregating Rs. 60.00 crore has been migrated to 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Consolidated

Applicable Criteria:

Guidelines on what constitutes Non-Cooperation by Clients

Policy of default recognition

Consolidation of companies

Criteria of assigning Rating Outlook

Rating Methodology – Service-Sector-Companies

Financial Ratios & Interpretation (Non-Financial Sector)

About the company

Ishan Infotech Limited (IIL)

IIL was incorporated in December 2000 and is a system integrator. The company helps its customers by presenting technically and commercially viable solutions. IIL provides e-governance, networking, security, and storage solutions along with distinctive capabilities.



Press Release

Financials (Consolidated):

(Rs. crore)

For the year ended/ As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	163.98	440.13
EBITDA	22.56	40.18
PAT	11.31	21.92
Total Debt	3.32	8.48
Adjusted Tangible Net Worth	53.15	75.72
Ratios		
EBITDA Margin (%)	13.76	9.13
PAT Margin (%)	6.86	4.93
Overall Gearing Ratio (x)	0.05	0.10

*Classification as per Infomerics' standards

Financials (Standalone):

(Rs. crore)

For the year ended/ As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	77.64	316.67
EBITDA	6.07	18.77
PAT	3.91	11.74
Total Debt	1.71	6.11
Adjusted Tangible Net Worth	20.76	32.46
Ratios		
EBITDA Margin (%)	7.81	5.93
PAT Margin (%)	5.00	3.66
Overall Gearing Ratio (x)	0.08	0.19

Status of non-cooperation with previous CRA: None

Any other information: Nil



Press Release

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Cash Credit/ Overdraft	Long Term	9.80	IVR BBB-/ Negative; ISSUER NOT COOPERATING*	(April 5, 2023) IVR BBB+/ Stable	-	(January 22, 2022) IVR BBB/ Positive
2.	Proposed Cash Credit/ Overdraft	Long Term	0.20	IVR BBB-/ Negative; ISSUER NOT COOPERATING*	(April 5, 2023) IVR BBB+/ Stable	-	(January 22, 2022) IVR BBB/ Positive
3.	Bank Guarantee	Short Term	45.25	IVR A3; ISSUER NOT COOPERATING*	(April 5, 2023) IVR A2	-	(January 22, 2022) IVR A3+
4.	Proposed Bank Guarantee	Short Term	4.75	IVR A3; ISSUER NOT COOPERATING*	(April 5, 2023) IVR A2	-	(January 22, 2022) IVR A3+

**Issuer did not cooperate; based on best available information*

Name and Contact Details of the Rating Analyst:

Name: Neha Khan

Tel: (022) 62396023

Email: neha.khan@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



Press Release

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit/ Overdraft	-	-	-	9.80	IVR BBB-/ Negative; ISSUER NOT COOPERATING*
Proposed Cash Credit/ Overdraft	-	-	-	0.20	IVR BBB-/ Negative; ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	45.25	IVR A3; ISSUER NOT COOPERATING*
Proposed Bank Guarantee	-	-	-	4.75	IVR A3; ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information*

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not available



Press Release

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.