

Press Release

Adcept Technologies Private Limited

August 22, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 8.00 Cr.
Long Term Rating	ACUITE B / Outlook: Stable
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B**' (**read as ACUITE B**) and short term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs. 8.00 crore bank facilities of Adcept Technologies Private Limited. The outlook is '**Stable**'.

AdCept Technologies Private Limited (ATPL) a West Bengal based company was incorporated in the year 2009, by Mr. C.S Banerjee and Mr. S.K De. The company is engaged into design, supply, delivery assembly, system integration, installing, commissioning and service provider of GPS and mining solutions for government and semi government entities.

Key Rating Drivers

Strengths

- **Experience management**

The company was incorporated in 2009. Besides, the promoters, Mr. C.S Banerjee and Mr. S.K De. Mr. Banerjee have more than three decades of experience in the same line of business. Mr. C.S Banerjee holds engineering degree from IIT Kharagpur and MBA degree in financial and marketing management. Mr. S.K. De is having more than two decades of experience in networking technologies at CISCO Systems Inc and at Symbol Technologies Inc. USA.

- **Reputed clientele**

The company has a reputed clientele base like Tata Steels Limited, Coal India Limited and Directorate General Border Security Force (Communication and IT Department).

Weaknesses

- **Small scale of operations and fluctuating revenue trend**

The company is having small scale of operations. The company has recognized revenue of Rs.0.43 for FY18 as against Rs.3.72 crore in the previous year. The reason for fluctuating revenue trend is due to completion of work contracts with TATA Steels Limited which got executed in FY17.

- **Working capital intensive nature of operations**

The company is having working capital intensive nature of operations marked by gross current asset days of 730 days (prov) in FY18 as against 100 days in the previous year. The reason for the same is due to high debtor days of 365 days as on 31st March 2018 (Prov).

Analytical Approach

Acuité has considered the business and financial risk profiles of the company.

Outlook: Stable

ACUITE believes that outlook for ATPL will remain stable over medium term on account of management's experience in the same line of business. The outlook may be revised to Positive if the company achieves higher than expected revenue while effectively managing its working capital cycle. Conversely, the outlook may be revised to Negative in case of further deterioration in the financial risk profile.

About the Rated Entity - Key Financials

	Unit	FY18 (Provisional)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	0.43	3.72	0.46
EBITDA	Rs. Cr.	0.10	0.23	0.03
PAT	Rs. Cr.	0.03	0.20	0.05
EBITDA Margin	(%)	23.26	6.17	6.29
PAT Margin	(%)	6.98	5.36	10.02
ROCE	(%)	8.99	43.46	12.47
Total Debt/Tangible Net Worth	Times	0.00	0.00	0.00
PBDIT/Interest	Times	1.57	187.72	287.68
Total Debt/PBDIT	Times	0.00	0.00	0.00
Gross Current Assets (Days)	Days	730	100	122

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE B / Stable
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4

*The 6.00 crore cash credit facility consists of interchangeable Letter of Credit facility of Rs.4.00 crore.

Contacts

Analytical	Rating Desk
Pooja Ghosh Head - Corporate and Infrastructure Sector Ratings Tel: 033-6620 1203 pooja.ghosh@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Deep Majumder Analyst - Rating Operations Tel: 033-66201206 deep.majumder@acuiteratings.in	

About Acuité Ratings & Research:

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