

Prasanna Technologies Private Limited

Instruments	Amounts	Rating action
	(Rs. crore ¹)	March 2016
Long-Term Fund Based Limits	2.00	[ICRA]BB- (Stable) Re-affirmed
Long-Term Non-fund Based Limits	5.00	

ICRA has re-affirmed the long-term rating of [ICRA]BB- (pronounced ICRA double B minus)² assigned to the Rs. 7.00 crore long-term fund based and non-fund based facilities of Prasanna Technologies Private Limited (PTPL/ the company). The outlook on the long-term rating is Stable.

Rating Rationale

The re-affirmation of the rating takes into account the improvement in PTPL's turnover and operating margins, low gearing and adequate coverage indicators in 2014-15 and 11M 2015-16. The rating also takes into consideration the company's stable order book position for 2016-17 and its plans to venture into other states such as Andhra Pradesh, Kerala and Tamil Nadu in the near to medium term that would enhance the revenue visibility going forward. The rating continues to be sustained by PTPL's good track record in implementing IT solutions, providing services relating to monitoring of transformers for the five electricity distribution authorities in Karnataka (DISCOM's) and trading of energy meters of L&T and its long standing relationship with the above customers that support growth prospects.

The rating is, however, constrained by the elongated payment cycle arising mainly from DISCOM's that have stressed PTPL's liquidity and cash flow position in 11M 2015-16 and the moderate scale of operations that restricts operational and financial flexibility to an extent. The rating considers that the customer concentration of the company remains high with majority of revenues derived from DISCOM's in Karnataka, however, the varied and customized services provided to these authorities helps in obtaining repeat orders from them.

Going forward, the ability of the company to increase its scale of operations while maintaining its profitability and improve its collection efficiency would be the key rating sensitivities.

Company Profile

Prasanna Technologies Private Limited, incorporated in 2008, provides software solutions to electricity distribution companies, primarily in Karnataka. The company provides solutions such as geographical information system mapping and conditioning monitoring of transformers which helps the DISCOMS in setting up of transformers and monitoring them for any faults. The company also provides Enterprise resource planning (ERP) solutions to the DISCOMS which help them in asset management, inventory management, billing and human resource management among others. In addition, the company has also developed Meter Data Acquisition Systems (MDAS) through which the DISCOMS can track the energy usage of the customers remotely from a centralized server. PTPL is also engaged in distribution of energy meters manufactured by Larsen & Toubro for Karnataka Region. PTPL has close to 400 employees and operates from offices in Bangalore, Hubli and Mangalore.

Recent Results

During 2014-15, the firm reported a net profit of Rs. 2.12 crore on an operating income of Rs. 17.60 crore as against a net profit of Rs. 1.20 crore on an operating income of Rs. 9.00 crore during 2013-14.

March 2016

¹ 100 lakhs = 1 crore = 10 millions

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications



For further details please contact:

Analyst Contacts:

Mr. K. Ravichandran, (Tel. No. +91-44-45964301)
ravichandran@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91-80-43326401)
jayantac@icraindia.com

© Copyright, 2016, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: **9871221122**

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: **9821086490**

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: **+91 9903394664**

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: **989986490**

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: **989986490**

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500