

Epicenter Technologies Private Limited

Instrument	Amount Rated (Rs Crore)	Rating Action
Cash Credit	10.00	[ICRA]B+; upgraded from [ICRA]B
Letter of Credit / Bank Guarantee	2.25	[ICRA]A4 reaffirmed
Loan Equivalent Risk	2.00	[ICRA]A4 reaffirmed

ICRA has revised the long term rating assigned to the Rs 10.001 crore cash credit limit of Epicenter Technologies Private Limited (ETPL or The company)² to [ICRA]B+ (pronounced ICRA B plus) from [ICRA]B (pronounced ICRA B). Further, ICRA has also reaffirmed the short term rating of [ICRA]A4 (pronounced ICRA A four) assigned to the Rs 4.25 crore short term non fund based limits of ETPL.

Rating Rationale

The revision in the long-term rating factors in the healthy performance of ETPL in FY2016 marked by improvement in the operating income as well as profitability, on the back of expanded clientele base and diversification into newer value added service offerings; and the consistent financial support provided by the promoter group over the years.

The ratings, however, continue to remain constrained by ETPL's adverse capital structure as indicated by its negative net worth; relatively small scale of operations; high geographical concentration of business; high dependence on a single client for revenue generation; and competitive pressures from other organized as well as unorganized players. The ratings also take into account ETPL's exposure to risks of bad debts pertaining to long overdue receivables from some of its clients, and risks arising from forex exposure wherein significant receivables are denominated in foreign currency.

Company Profile

Epicenter Technologies Private Limited (ETPL), set up in the year 2000, is a voice based BPO company providing collection services, and query support and sales. The company operates out of a 750 seat facility at Bhayander, Thane and currently has an employee base of ~1400. ETPL is a joint venture between Pune based Kalyani Group, Mr. Kenneth Eldred (Chairman of Ariba Group, USA) and Seignior Exports Private Limited.

Recent Results

For the financial year ended March 31, 2016, the company reported an operating income of Rs 50.00 crore and profit after tax of Rs 4.05 crore as against an operating income of Rs 41.80 crore and profit after tax of Rs 0.10 crore for the financial year 2014-15.

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¹ 100 lakhs = 1 crore = 10 million

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



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