

July 22, 2010

**CARE REAFFIRMS RATING ASSIGNED TO THE BANK FACILITIES OF
BARTRONICS INDIA LTD**

Ratings Assigned

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	389.00 (enhanced from Rs.119.50 cr)	'CARE BBB+' (Triple B Plus)	Reaffirmed
Short-term Bank Facilities	69.50 (enhanced from Rs.18.50 cr)	'PR2' (PR Two)	Reaffirmed
Total Facilities	458.50		

Rating Rationale

The ratings continue to factor in the established track record of BIL, the experienced management, BIL's position in the Automatic Identification and Data Capture (AIDC) industry, the strong business growth recorded in the past, the diversified product portfolio and the overall uptrend witnessed by the AIDC industry in the past few years. The ratings are however constrained by strained liquidity due to higher receivables, higher working capital utilisation and higher debt, resulting in deterioration of gearing ratios and inherent technology obsolescence risk of IT product industry. The rating also factors in the progress and status of the Municipal Corporation of Delhi (MCD) project. The ability of BIL to complete the MCD project without further delay, raise the required funds for the project and infuse equity in a timely manner along with improvement in the liquidity position are the key rating sensitivities.

Company Profile

Bartronics India Ltd (BIL) is an ISO 9001:2000 accredited, Hyderabad-based public limited company in the Automatic Identification and Data Capture (AIDC) industry. The company provides AIDC solutions to its clients and has been in the business for about 15 years.

In FY09, BIL bagged two new projects, the Employee State Insurance Corporation (ESIC) project and the Municipal Corporation of Delhi's "Aapke Dwar Project". On a total income of Rs.376 cr, BIL earned a PAT of Rs.48 cr in FY09. For 9MFY10, the company has achieved a PAT of Rs.40 cr on a total income of Rs.410 cr.

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CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications.

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