

Fluentgrid Limited

March 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	91.08 (Reduced from 93.00)	CARE BBB+; Stable	Reaffirmed
Short-term bank facilities	141.00	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of Fluentgrid Limited (Fluentgrid) continues to derive comfort from a healthy and varied order book, experienced promoters, a well-qualified management team, and a proven track record in delivering innovative technology solutions for the energy and urban sectors. Ratings also reflect comfortable capital structure, satisfactory debt coverage indicators, geographically diverse customer base, and extensive product portfolio, with favourable outlook for the smart grid and smart city industries. However, ratings are moderated by a stagnant total operating income (TOI) in FY24 (April 01 to March 31), despite maintaining healthy profitability margins. Extended debtor collection period has led to a high reliance on working capital bank borrowings, and there is a risk of technological obsolescence. Ratings also consider the company's operational and financial performance in the first nine months of FY25.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in TOI with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins above 25% on a sustained basis.
- Timely realisation of receivables and ability to maintain an average collection period below 150 days.

Negative factors

- Continued elongation in the company's operating cycle beyond 300 days.
- Increase in the average working capital utilisation at 95% or above in the next 12 months, impacting the overall liquidity.
- Significant debt-funded capex impacting the company's capital structure.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CARE Ratings) believes the entity will continue to benefit from the promoters' extensive experience and management in the industry.

Detailed description of key rating drivers:

Key strengths

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Healthy and diversified order book

As on March 01, 2025, the outstanding order book stood at ₹731 crore, with most expected to be executed by the end of FY27, providing medium-term revenue visibility. The confirmed order book is 3.41x the total income for FY24. The company has been consistently receiving orders for implementation and AMC, primarily from discoms. With better realisation, the company is confident of meeting its target and anticipates additional revenue as well. Despite having a strong order book, there is a risk of customer concentration as the top four customers contribute 32% of the total share. These client relationships are strong with a variety of work being carried out across different segments.

Experienced and resourceful promoters supported by a well-qualified management team

G S Murali Krishna (managing director and CEO) has been in information technology for ~24 years with an overall experience of three decades. He is supported by a well-qualified team of highly competent IT professionals and management.

Established track record in offering innovative technology solutions for energy and infrastructure sector

Fluentgrid has been an integrated enterprise technology solutions provider, building strong utility domain expertise by implementing its solutions for over 50 utilities and cities worldwide for nearly two decades. The company has expanded its offerings from revenue and customer management to smart metering, smart grids, and enterprise solutions. It has ventured in smart cities, leveraging ICT to enhance citizens' living standards. Fluentgrid's product portfolio for utility customers includes 25 modules across five complementary product lines: Customer Information System (CIS), Customer Relationship Management (CRM), Advanced Metering Infrastructure (AMI), Smart Grid, and Enterprise, with Fluentgrid CIS being the flagship product.

Geographically diversified and further expansion of product portfolio

The company offers a Command-and-Control Centre (CCC) for cities, integrating departments and IT systems in a single platform. This provides advanced data analytics, visualisation, and tools for incident reporting, citizen grievance management, and asset management, enhancing city governance. These solutions use Fluentgrid's Actelligence platform. The company is developing new offerings such as Software as a Service (SaaS) for cloud billing and smart metering services. By expanding its portfolio, Fluentgrid has secured several international projects, many funded by institutions like the World Bank, and has clients across most Indian states.

Comfortable capital structure and debt coverage metrics

The company's capital structure remains comfortable, supported by a relatively strong net worth. The net worth increased from ₹182.67 crore on March 31, 2023, to ₹203.82 crore on March 31, 2024, due to healthy accruals. Consequently, the overall gearing ratio stayed at 0.49x as of March 31, 2024 (same as the previous year).

With healthy cash accruals at operating and net levels, the company's debt coverage metrics remained comfortable for FY24. The interest coverage ratio improved slightly to 3.26x in FY24 (from 3.15x in the previous year), and the total debt to gross cash accruals (TD/GCA) improved to 3.21x in FY23 (from 3.50x in the previous year).

Established track record with reputed clientele

Fluentgrid utility solutions are delivered to reputed private and public sector utilities such as Tata Power, Adani Power, National Thermal Power Corporation Limited (NTPC), Uttar Pradesh Power Corporation Ltd (UPPCL), Andhra Pradesh Eastern Power Distribution Company Limited (APEPDCL), and Bangalore Electricity Supply Company Limited (BESCOM) among others. Outside India, its utility solutions are delivered to nationwide power utilities including

OSHEE of Albania, EUCL of Rwanda, NEA of Nepal, and Kahramaa of Qatar among others. On the smart city front, Fluentgrid delivered integrated command and control centre solutions for Bengaluru, Visakhapatnam, Lucknow and Kochi smart cities and Urban ERP solution for New Delhi Municipal Council (NDMC). Fluentgrid works in partnership with large global system integrators such as L&T Mindtree, Bosch, Tech Mahindra, Accenture, and so on, to deliver its utility and city solutions around the world. Fluentgrid products, CIS, MDMS and Actelligence, are listed in globally reputed market research reports including Gartner and Guidehouse Insights.

Key weaknesses

Marginal growth in income despite healthy profitability margins

The TOI remained almost stable in FY24 at ₹215.25 crore, compared to ₹211.53 crore in FY23, due to delays in order execution and government program slowdowns. The PBILDT margin improved to 25.59% in FY24 from 22.58% in FY23, despite higher employee expenses. The company wrote off ₹4.94 crore in bad debt, and profit after tax (PAT) margins rose to 9.97% in FY24 from 6.76% in FY23.

Stretched working capital cycle

The company's operating cycle has significantly deteriorated to highly stretched at 318 days in FY24 from 290 days in FY23 owing to increased collection period to 351 days in FY24 from 341 days in FY23. The collection period is on the higher side owing to the delay in the realisation of dues from the execution of projects where billings is done on a milestone basis leading to an increase in receivables outstanding. On absolute terms, the total debtors have increased from ₹196 crore as on March 31, 2023, to ₹223 crore as on March 31, 2024. However, debtors stood at ₹184.35 crore as on March 14, 2025, and it has realised ₹39 crore. Historically, the company's receivables have been higher and remained mostly in the range of 70% to 100% of the TOI. Although the receivables are higher the counterparties carry lower credit risk and most are government entities.

Liquidity: Adequate

The company's liquidity profile is adequate marked by sufficient cash accruals against the repayment obligations. The company's GCA stood at ₹30.79 crore in FY24 against the repayment obligations of ₹4.98 crore in FY24. However, given the working capital intensive operations, fund-based working capital utilisation of the company in the last 12 months ending January 2025 stood at 85.30%. The company's current ratio has improved and remained satisfactory at 2.02x at the end of FY24, owing to the high reliance on external funding of working capital requirements.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information Technology	Information Technology	IT - Software	Software Products

Fluentgrid was originally incorporated in 1998 as Phoenix Cybertech India Private Limited. In 2001, the company was converted to public limited company as Phoenix IT Solutions Limited. Later, on December 16, 2015, the company's name was changed to current nomenclature. Fluentgrid, with its wholly owned subsidiaries, currently have offices in Vishakapatnam, Hyderabad, Kabul, Singapore, and USA. The company is managed by G S Murali Krishna (managing director), who has an overall experience of over two decades. The company is ISO 9001:2015, ISO 27001:2013, ISO 20001:2018, ISO 14001:2015, ISO 45001:2018 certified, compliant with Capability Maturity Model Integration (CMMI) Level-5 and is a member of industry bodies, including – ITAAP, FAPCCI, VCCI, and AP Chamber of Commerce and Industry Federation.

The company currently has several global partnerships within India and the other regions. Fluentgrid provides smart technology-driven products and turnkey solutions for utilities, communities and cities with solutions that focus on revenue management, customer management, smart metering, smart grids, and enterprise solutions.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25(UA)
Total operating income	211.53	215.26	152.54
PBILDT	47.76	55.08	39.61
PAT	14.31	21.42	22.55
Overall gearing (times)	0.49	0.49	N.A.
Interest coverage (times)	3.15	3.26	7.27

A: Audited UA: Unaudited; N.A: Not available Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	89.55	CARE BBB+; Stable
Fund-based - LT-Term Loan		-	-	30/10/2025	1.53	CARE BBB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	141.00	CARE A3+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	89.55	CARE BBB+; Stable	-	1)CARE BBB+; Stable (28-Mar-24) 2)CARE BBB+; Stable (06-Apr-23)	-	1)CARE BBB+; Stable (31-Mar-22)
2	Non-fund-based - ST-Bank Guarantee	ST	141.00	CARE A3+	-	1)CARE A3+ (28-Mar-24) 2)CARE A3+ (06-Apr-23)	-	1)CARE A3+ (31-Mar-22)
3	Fund-based - LT-Term Loan	LT	1.53	CARE BBB+; Stable	-	1)CARE BBB+; Stable (28-Mar-24) 2)CARE BBB+; Stable (06-Apr-23)	-	1)CARE BBB+; Stable (31-Mar-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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