

Integra Micro Systems Private Limited

July 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	62.29	CARE BBB+; Stable	Assigned
Long-term bank facilities	11.75	CARE BBB+; Stable	Reaffirmed
Long-term / Short-term bank facilities	21.00	CARE BBB+; Stable / CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the enhanced bank facilities of Integra Micro Systems Private Limited (IMSPL) factor in the company's continuous healthy financial risk profile marked by increasing scale of operations, healthy capital structure, and adequate liquidity profile. Ratings also derive strength from promoters' experience in similar business, and strong and reputed client base consisting of banks and government entities.

However, these strengths are partially offset by IMSPL's modest scale of operations, reducing profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins, and presence in a highly fragmented and competitive industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significantly growing operating income beyond ₹1,000 crore while maintaining return on capital employed (ROCE) above 20% and total debt (TD)/profit before depreciation, interest, and taxes (PBDIT) of less than 1x.

Negative factors

- Major debt-funded capex undertaken, deteriorating the overall gearing to above 0.5x or deteriorating the liquidity profile.

Analytical approach: Consolidated

Consolidated financial and operational performance of IMSPL and its subsidiaries (mentioned in Annexure-6) are considered due to strong operational, financial and managerial linkages between these entities.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects the outlook for IMSPL to be stable on expectations of continually improving scale of operations and healthy financial risk profile in the medium term.

Detailed description of key rating drivers:

Key strengths

Healthy financial risk profile

The company's financial risk profile is marked by continually improving revenue while maintaining satisfactory profitability margins, healthy capital structure, and debt coverage indicators. On a consolidated basis, total operating income (TOI) increased to ₹748 crore in FY24 from ₹556 crore in FY23. Per initial estimates, the company has reported TOI of ₹922 crore for FY25.

Consolidated overall gearing stood comfortable at 0.1x as on March 31, 2024 (0.11x as on March 31, 2023), due to minimal dependence on external debt. However, it is expected to moderate slightly due to term debt availed by it to execute certain large order projects.

IMSPL uses bank guarantee (BG) limits, generally by keeping similar amounts of fixed deposits (FDs) with banks for reducing commission charges. Other debt coverage indicators such as interest coverage and total debt/gross cash accruals (TD/GCA) stood satisfactory at 19.25x and 0.66x, respectively, for FY24.

Experience of promoters

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

Mahesh Kumar Jain, chairman and managing director, holds a bachelors' degree from IIT-Kanpur and a masters' in engineering from the Indian Institute of Science, Bangalore. He is the co-founder and chairman of the Integra group of companies with an experience of over three decades as a business and technology leader and an active member of Information Technology (IT) professional bodies. He is supported by a well-qualified team of professionals with over 15 years of experience in similar business.

Strong and reputed client base

IMSPL has a reputed client base, including marquee names in the banking, IT, financial inclusion, and e-governance. The company offers products and end-to-end solutions in remote branchless banking using biometrics, mobile communications, smart cards, and voice technologies integrating with core banking systems (CBS) through Integra's gateways and switches. The company has also forayed in peer-to-peer (P2P) lending segment through one of its subsidiaries.

Key weaknesses

Highly fragmented industry with several organised and unorganised players

The IT and IT-enabled Services (ITeS) industry is highly fragmented with several organised and unorganised players. Thus, IMSPL is exposed to significant competition in the domestic market. The company will continue benefitting from its established relationships with key customers leading to increasing revenue. CareEdge Ratings notes IMSPL's ability to sustain strong growth and broaden its client base can help increase its profitability margins.

Modest scale of operations

Although consistently improving, scale of operations remains modest considering the longstanding industry presence of over four decades. IMSPL's ability to sustain sales and profitability while maintaining healthy capital structure will be a key rating monitorable. The company's PBILDT margins are also on declining trend with margins of 9.26% in FY24 against 10.80% in FY23 due to increasing sales contribution from trading carried out in subsidiary.

Liquidity: Adequate

The company's free cash and bank balances stood at ₹75.22 crore and ₹89 crore of fixed deposit (FD) lien marked to BGs as on March 25, 2025. Average working capital limits utilisation in the last 12 months ending January 2025 was ~50%. The company's working capital cycle stood at 47 days (FY23:46 days).

Applicable criteria

[Consolidation](#)

[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 - services	IT-enabled services

Incorporated in July 1982, IMSPL trades IT-related products, services, and software solutions. The company provides high technology products and solutions to government, banking, financial services and insurance (BFSI), telecom, and IT companies. It provides solutions in domains, including financial inclusion (with its flagship mobile application platform, Integra Mobile Applications, Services & Technology [iMFAST]), e-governance, biometric smart cards and transaction enabler systems, distribution and systems integration of open source systems, video surveillance systems, and document imaging and embedded systems.

Brief Financials: Consolidated (₹ crore)	March 31, 2023 (A)	March 31, 2024 (UA)	March 31, 2025 (UA)
Total operating income	556.20	747.88	922.59
PBILDT	60.05	69.28	NA
PAT	47.92	69.28	NA
Overall gearing (times)	0.11	0.11	NA
Interest coverage (times)	45.47	20.37	NA

A: Audited UA: Unaudited; NA: 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	11.75	CARE BBB+; Stable
Fund-based - LT-Term Loan	-	-	-	April 2028	62.29	CARE BBB+; Stable
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	21.00	CARE BBB+; Stable / CARE A2

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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	11.75	CARE BBB+; Stable	1)CARE BBB+; Stable (03-Apr-25)	1)CARE BBB+; Stable (04-Apr-24)	-	1)CARE BBB+; Stable (29-Mar-23) 2)CARE BBB+; Stable (05-Apr-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	21.00	CARE BBB+; Stable / CARE A2	1)CARE BBB+; Stable / CARE A2 (03-Apr-25)	1)CARE BBB+; Stable / CARE A2 (04-Apr-24)	-	1)CARE BBB+; Stable / CARE A2 (29-Mar-23) 2)CARE BBB+; Stable / CARE A2 (05-Apr-22)
3	Non-fund-based - ST-ILC/FLC	ST	-	-	1)Withdrawn (03-Apr-25)	1)CARE A2 (04-Apr-24)	-	1)CARE A2 (29-Mar-23) 2)CARE A2 (05-Apr-22)
4	Fund-based - LT-Term Loan	LT	62.29	CARE BBB+; Stable				

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 - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Integra Micro Software Services Private Limited	Full	Subsidiary
2.	Integra Datatech Private Limited	Full	Subsidiary
3.	BOT AI ML Private Limited	Full	Subsidiary
4.	Jakkur Technoparks Private Limited	Full	Subsidiary
5.	Imfast Finfotech Private Limited	Full	Subsidiary
6.	Vaibhave Business Private Limited	Full	Subsidiary
7.	Integra Infotech Inc., USA	Full	Subsidiary
8.	Integra Infotech (S) Pte Limited	Full	Subsidiary
9.	Integra Infotech Japan Private Ltd	Full	Subsidiary
10.	Green Power Plantations India Pvt Ltd	Proportionate	Associate
11.	Nearex Pte Ltd, Singapore	Proportionate	Associate

Note on complexity levels of rated instruments: CareEdge 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.

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