

Ceinsys Tech Limited

August 01, 2025

Facilities/Instruments	Amount (₹ crore)	Ratings ¹	Rating Action
Long-term bank facilities	20.00 (Reduced from 65.00)	CARE BBB; Positive	Reaffirmed; Outlook revised from Stable
Short-term bank facilities	80.00 (Enhanced from 70.00)	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Ceinsys Tech Limited (CTL) continues to derive strength from CTL's long track record of operations, experienced management and healthy order book position. The rating further derives comfort from CTL's growing scale of operations, healthy profitability, comfortable solvency position and adequate liquidity position.

However, rating strengths continue to remain constrained by concentrated order book, working capital-intensive nature of operations and presence in a highly competitive industry.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the outstanding ratings of 'CARE BBB; Stable/ CARE A3' assigned to some bank facilities with immediate effect. The above action has been taken at the request of CTL and 'No Objection Certificate' received from the lenders that had extended the facilities rated by CareEdge Ratings.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total operating income (TOI) above ₹500 crore annually while maintaining profitability at current level.
- Improvement in gross current asset (GCA) to less than 275 days.

Negative factors

- TOI below ₹225 crore on a sustained basis along with deterioration in profit margins.
- Elongation in collection period beyond 270 days resulting in deterioration in liquidity position.

Analytical approach: Consolidated

CareEdge Ratings has considered consolidated financials of CTL. The consolidated approach factors in significant management, operational and financial linkages between CTL and its subsidiaries and step-down subsidiaries. Subsidiaries consolidated are listed under Annexure-6.

Outlook: Positive

Revision in outlook from 'Stable' to 'Positive' reflects CareEdge Ratings' expectation of further improvement in CTL's scale of operations with steady profitability, while managing its working capital requirements efficiently. The outlook may be revised to 'Stable' if CTL is unable to achieve envisaged improvement in scale of operations and/or profitability.

Detailed description of key rating drivers:

Key strengths

Improved scale of operations and healthy profitability

In FY25 (refers to April 01 to March 31), CTL's consolidated TOI grew by ~65% to ₹418.06 crore (PY: ₹253.29 crore), driven by higher inflow and execution of orders. Standalone TOI improved by ~94% to ₹399.73 crore in FY25 (PY: ₹205.68 crore). CTL's 'Geospatial and Engineering Services' business vertical grew by ~7% and 'Technology Solutions' segment revenue tripled in FY25. The growth momentum is expected to persist, fuelled by the execution of ongoing and future orders. Consolidated profit before interest, lease rentals, depreciation and taxation (PBILDT) margin remained stable at 18.66% in FY25 (PY: 18.15%). Profit after tax (PAT) margin improved to 15.13% in FY25 (PY: 13.82%) owing to lower finance cost. The profitability is expected to remain at similar levels in the medium term.

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

Well-established track record and extensive experience of management in the industry

CTL has a track record of over two decades in the industry, offering Geographic Information System (GIS) and Engineering Solutions. CTL specialises in designing, capturing, storing, mapping, analysing and managing all types of geographical data. CTL is promoted by Sagar Meghe (Chairman and Director) and is jointly managed by Prashant Kamat (Vice Chairman and CEO), Abhay Kimmattkar (Managing Director) and Kaushik Khona (Managing Director, India Operations). All of them are well qualified and experienced professionals. The company has a diverse team of engineers across multiple disciplines with significant experience in different industries, tools/platforms and project management methodologies.

Healthy revenue visibility backed by significant improvement in its order book position

As on June 30, 2025, CTL has an outstanding orderbook of ₹1255 crore, translating to an orderbook to TOI of 3x of FY25. This indicates adequate revenue visibility in the medium term. Majority contracts are secured from state governments, municipal bodies and public sector units, with a few from corporate entities. CTL is likely to benefit from the government's focus on areas such as urban development, water management and energy security. CTL's ability to efficiently execute and sustain its order book will remain a key monitorable.

Comfortable capital structure and satisfactory debt coverage indicators

CTL's debt profile mainly comprises of working capital borrowings, term loan, advances from customers and lease liabilities. As on March 31, 2025, CTL's capital structure remained comfortable with an overall gearing of 0.13x (PY: 0.05x) despite higher utilisation of working capital limits as on balance sheet date. CTL's net worth base improved to ₹377.44 crore as on March 31, 2025 (PY: ₹214.02 crore), with inflow of ~₹105 crore through preferential issue of shares and funds received against share warrants. In the absence of debt funded capex, capital structure is expected to remain comfortable in the medium term.

In FY25, debt coverage indicators also remained comfortable with total debt to gross cash accruals of 0.73x (PY: 0.30x) and interest coverage of 30.95x (PY: 7.47x).

Key weaknesses

Segmentally concentrated order book

CTL's order book predominantly revolves around the water domain (over 90% order book), posing a segmental concentration risk. Also, CTL's order book remains concentrated with top two orders from government authorities accounting for ~60% of outstanding order book value. Timely execution of these contracts and collections from the authorities will remain a key monitorable. The counterparty risk is mitigated by the company's long-term association with reputed clients.

Working capital intensive nature of operations

CTL's operations remain working capital intensive, emanating from high collection cycle and sizeable portion of unbilled revenues. CTL derives a major proportion of its revenues from government contracts, where the credit period ranges from 120 to 150 days. Furthermore, invoices are raised on a milestone basis, leading to unbilled portions of revenue. Although the average collection period improved in FY25, it remained high at 183 days (PY: 236 days). GCA also improved but remained high at 294 days in FY25 (PY: 316 days). Timely realisation of receivables is critical from credit perspective.

Presence in a highly competitive industry

The IT and ITES industry is highly competitive, with both established and emerging companies striving to create their own niches. The industry is vulnerable to the rapid evolution of advanced technologies. In this industry, majority contracts are awarded by central and state government bodies through a tender process and are milestone-based, leading to significant working capital requirements.

Liquidity: Adequate

The liquidity position remains adequate as marked by annual gross cash accruals of ₹70-80 crore against annual repayment obligations of ~₹3-3.50 crore over FY26-FY28. The average maximum utilisation of fund-based limits and non-fund based limits stood at ~27% and 75%, respectively, for the 12 months ended March 31, 2025. The unutilised portion of working capital limits gives additional cushion to liquidity.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information technology	Information technology	It - Services	It enabled services

Incorporated in 1998, CTL (formerly known as ADCC Infocad Limited; CIN: L72300MH1998PLC114790) is a part of the Nagpur-based Meghe group (founded by Datta Meghe). CTL is a technology solutions provider of geospatial engineering, mobility engineering services and enterprise solutions. The company has organised its business into two segments: Geospatial and Engineering Services and Technology Solutions. CTL has one wholly owned subsidiary, ADCC Infocom Private Limited (involved in software engineering, software development and remote sensing). Allygrow Technologies Private Limited (ATPL; previously a wholly owned subsidiary of CTL) has been merged with CTL with appointed date of April 01, 2024, vide NCLT order dated April 09, 2025.

Brief Financials (₹ crore) - Consolidated	March 31, 2024 (A)	March 31, 2025 (Abridged)
Total operating income	253.29	418.06
PBILDT	45.97	77.99
PAT	35.00	63.24
Overall gearing (times)	0.05	0.13
Interest coverage (times)	7.47	30.95

Brief Financials (₹ crore) - Standalone	March 31, 2024 (A)	March 31, 2025 (Abridged)
Total operating income	205.68	399.73
PBILDT	43.44	92.86
PAT	24.58	81.38
Overall gearing (times)	0.13	0.11
Interest coverage (times)	6.21	40.55

A: Audited; 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		-	-	-	20.00	CARE BBB; Positive
Non-fund-based - ST-Bank Guarantee		-	-	-	80.00	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 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	20.00	CARE BBB; Positive	-	1)CARE BBB; Stable (01-Aug-24)	1)CARE BBB-; Stable (31-Jul-23)	1)CARE BBB-; Stable (22-Nov-22)
2	Non-fund-based - ST-Bank Guarantee	ST	80.00	CARE A3	-	1)CARE A3 (01-Aug-24)	1)CARE A3 (31-Jul-23)	1)CARE A3 (22-Nov-22)
3	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (01-Aug-24)	1)CARE BBB-; Stable (31-Jul-23)	1)CARE BBB-; Stable (22-Nov-22)
4	Fund-based - LT-Working Capital Demand loan	LT	-	-	-	-	-	1)Withdrawn (22-Nov-22)

LT: Long term; ST: 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	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender detailsTo view the 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	ADCC Infocom Private Limited	Full	Wholly owned subsidiary
2	Technology Associates Inc.	Full	Wholly owned subsidiary
3	Allygrow Technology B.V.	Full	Wholly owned subsidiary
4	Allygrow Technologies GmbH	Full	Wholly owned subsidiary
5	Allygrow Technologies UK Ltd.	Full	Wholly owned subsidiary
6	Ceinsys Tech (Singapore) Pte. Ltd.	Full	Wholly owned subsidiary
7	Allygram Systems and Technologies Pvt Ltd	Proportionate	Joint venture

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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