

## Emdee Digitronics Private Limited

December 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	14.00	CARE BBB-; Stable	Assigned
Long Term / Short Term Bank Facilities	36.00	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings for the bank facilities of Emdee Digitronics Private Limited (EDPL) derive strength from extensive experience of the promoters, satisfactory financial performance, comfortable financial risk profile and adequate liquidity. However, the rating is constrained by high geographical concentration risk, contract renewal risk, and an elongated working capital cycle. Going forward, the company's ability to sustain its spot billing and collection agency service business while mitigating geographical concentration risk and managing the operating cycle will remain key rating monitorable.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significant increase in scale of operations beyond ₹300 crore while maintaining operating margins at current levels.
- Reduction in geographic concentration risk
- Efficient working capital cycle with no major debt funded capital expenditure, adversely affecting the financial risk profile.

#### Negative factors

- Stretched working capital cycle.
- Weakening of the financial risk profile and reduction in liquid funds impacting overall liquidity

**Analytical approach:** Standalone

#### Outlook: Stable

The 'stable' outlook assigned to the company's long-term rating is based on the ability of promoters to maintain its financial risk profile, marked by the sustenance of scale of operations.

### Detailed description of key rating drivers:

#### Key strengths

##### Extensive experience of the promoters

Emdee Digitronics Private Limited, incorporated in 2004, is promoted by Mr. Malay Das, Mr. Manash Das, and Mrs. Jaya Das. The company has been involved in e-governance initiatives such as Aadhar enrolment, PDS digitization, and electoral roll management. The promoters have been associated with the company since inception and bring over two decades of experience in electronic systems, IT-enabled solutions, and manpower and service management for government and corporate clients. Their extensive experience and established relationships in the e-governance domain are expected to support business stability and aid in securing new projects in the near term.

##### Satisfactory financial performance and comfortable financial risk profile

EDPL's total operating income (TOI) grew at a CAGR of 10.7% between FY21 and FY25, reaching ₹201.53 crore in FY25, driven by HR management, spot billing, and collection agency services. PBILDT margin remained stable at 15–16% over the years and stood at 15.34% in FY25 despite liquidated damages of ₹6.95 crore for non-achievement of spot billing targets of NBPDC and SBPDCL. PAT margin was healthy at 12.35% in FY24 and 12.10% in FY25, supported by low interest expense due to minimal reliance on external debt. In H1FY26, the company achieved TOI of ₹76.00 crore.

Historically, the capital structure has remained comfortable, aided by low debt and a strong net worth base of ₹159.93 crore as on March 31, 2025 (₹135.55 crore as on March 31, 2024) due to profit accretion. Overall gearing stood at 0.04x as on March 31,

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

2025 (0.01x in FY24). Debt profile comprises working capital borrowings only. Debt coverage indicators were robust, with interest coverage at 79.89x in FY25 (111.18x in FY24) and TD/GCA at 0.23x in FY25 (0.04x in FY24).

The company plans to set up manufacturing plant for injection syringes to government hospitals in West Bengal at an estimated cost of ₹30–35 crore. However, the exact debt–equity mix has not been finalized. The project will commence operations in 6–9 months once project execution starts.

## Key weaknesses

### High geographical concentration risk

Although the company has a presence in 4–5 states, a major portion of its revenue is concentrated in two states—West Bengal and Bihar—contributing 57% and 40%, respectively, in FY25. This high dependence on two states exposes the company to regional and regulatory risks. CARE Ratings believes that the company’s ability to diversify its geographical reach while retaining key clients and adding new ones will be critical for reducing concentration risk and supporting sustainable growth in the medium term.

### Contract renewal risk

The company procures contracts from public sector undertakings (PSUs) and government departments through a formal bidding process, making its revenue vulnerable to non-renewal of contracts. Intense competition in this segment requires aggressive bidding, which restricts operating margins. However, the risk is partly mitigated by repeat orders from major customers such as Webel Technology (West Bengal state government entity), North Bihar Power Distribution Company Ltd (NBPDC), South Bihar Power Distribution Company Ltd (SBPDCL), and the transport department of the West Bengal government.

As of October 2025, the company has received work orders for spot billing contracts worth ₹151.19 crore from NBPDC and SBPDCL, to be executed over the next 2–3 years. In addition, the company has ongoing contracts with Webel and West Bengal Transport Corporation (WBTC).

### Elongated working capital cycle

The company’s operations are marked by an elongated operating cycle of 113 days in FY25 (84 days in FY24), primarily due to a higher receivable period of 165 days in FY25 (135 days in FY24). The extended receivable cycle is attributable to the company’s exposure to PSUs and government departments. Outstanding debtors reduced from ₹102.70 crore as on March 31, 2025, to ₹63.03 crore as on September 30, 2025, including long- pending receivables from Jharkhand Bijli Vitran Nigam Ltd (JBVNL).

### Liquidity: Adequate

The company maintains strong liquidity, supported by a conservative approach to external debt, healthy cash accruals, and low working capital utilization. It had cash and bank balance of ₹57.77 crore as on March 31, 2025 (including lien-marked fixed deposits of ₹13.00 crore) and liquid investments of ₹8.70 crore in mutual funds. Fund-based working capital utilization remained negligible, while non-fund-based utilization was around 10% for the last 11 months ending September 30, 2025. The company generated healthy cash accruals of ₹25.55 crore against nil term debt repayment obligation in FY25.

**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
Services	Services	Commercial Services & Supplies	Diversified Commercial Services

Emdee Digitronics Private Limited, incorporated in 2004, is promoted by Mr. Malay Das, Mr. Manash Das, and Mrs. Jaya Das. The promoters have been associated with the company since its inception, bringing collectively over two decades of entrepreneurial and managerial experience in electronic systems, IT-enabled solutions, and manpower and service management for both

government and corporate clients. The company offers a wide range of services including spot billing, data entry operator deployment, transport staff outsourcing, HR management, IT maintenance, collection services, and system integration. It focuses mainly on government and public sector projects in eastern India and has contributed to key e-governance initiatives such as Aadhaar enrollment, PDS digitization, and electoral roll management.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	181.85	201.53	76.00
PBILDT	27.11	30.91	NA
PAT	22.45	24.38	NA
Overall gearing (times)	0.01	0.04	NA
Interest coverage (times)	111.18	79.89	NA

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** CRISIL has continue to keep the rating of EDPL under “Issuer Not Cooperating” category vide press release dated May 28, 2025, due to non-furnishing of requisite information for monitoring of rating.

**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		-	-	-	14.00	CARE BBB-; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	36.00	CARE BBB-; Stable / 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	Non-fund-based - LT/ ST-BG/LC	LT/ST	36.00	CARE BBB-; Stable / CARE A3				
2	Fund-based - LT-Cash Credit	LT	14.00	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	Non-fund-based - LT/ ST-BG/LC	Simple

**Annexure-5: Lender details**

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

**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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