

## Integra Micro Systems Private Limited (Revised)

April 6, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	59.75 (Reduced from 74.04)	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 bank facilities of Integra Micro Systems Private Limited (IMSPL) continues to factor in the company's healthy financial risk profile marked by increasing scale of operations, satisfactory 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, increasing collection period, and presence in a highly fragmented and competitive industry.

CARE Ratings Limited (CareEdge Ratings) has taken note of the termination of a partnership agreement with a supplier following an instance of employee-level misconduct identified within Integra Datatech Private Limited, a subsidiary of IMSPL. While this development may have an impact on the operations of the subsidiary, the overall effect on the group remains contained, given the relatively small contribution of the affected business segment to consolidated profitability. The management has informed that it has further strengthened its internal controls and governance framework to mitigate such risks and prevent recurrence.

### 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 overall gearing to above 0.5x or deteriorating the liquidity profile.

#### Analytical approach: Consolidated

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

#### 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 while maintaining satisfactory profitability margins, healthy capital structure, and debt coverage indicators. On a consolidated basis, total operating income (TOI) increased to ₹843.35 crore in FY25 from ₹749.04 crore in FY24. The company reported TOI of ₹452 crore in 9MFY26 and is expected to report revenue de-growth of 5-10% in FY26 over FY25. With improved net worth base as a result of profit accretion to reserves overall gearing marginally deteriorated but stood comfortable at 0.20x as on March 31, 2025 (0.11x as on March 31, 2024). IMSPL uses bank guarantee (BG) limits, generally by keeping similar amounts of fixed deposits (FDs) with banks for reducing commission charges. With increase in interest cost, the debt coverage indicators of IMSPL deteriorated but remained strong marked by interest coverage ratio of 11.00x in FY25 against 15.42x in FY24.

<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.

### Satisfactory capital structure

The entity's capital structure stood comfortable, as marked by an overall gearing of 0.2x as on March 31, 2025 (0.11x as on March 31, 2024) with low reliance on external debt. Its debt profile largely comprises external debt in the form of working capital and term debt. It continues to maintain negative net debt position. Going forward, the capital structure is expected to improve considering profit accretion to reserves and repayment of term debt. The entity's comfortable capital structure provides sufficient gearing headroom in case of exigencies.

### Experience of promoters

Mahesh Kumar Jain, Chairman and Managing Director, holds a bachelors' degree from IIT-Kanpur and a master's 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.

#### Large BG requirements

While the company's reliance on fund-based debt remains limited, it is exposed to contingent liabilities in the form of performance bank guarantees (BGs) issued in favour of customers and certain suppliers. Consequently, deficiency in service delivery entails regulatory risk and the risk of invocation of these BGs.

Outstanding BG exposure stood at ₹55.4 crore as on December 31, 2025, a decline from ₹87.4 crore as on March 31, 2025, primarily due to the release of BGs following the termination of a partnership agreement with one of the suppliers. CareEdge Ratings notes that majority outstanding BGs are fully backed by fixed deposits, which mitigates associated credit risk.

#### Increasing receivable cycle

The company's average collection period increased from 85 days in FY23 to 96 days in FY24 and further to 103 days in FY25. This is primarily attributable to high year-end billings and increasing revenue from state government business. On a standalone basis, the company reported ₹109 crore of receivables as on December 31, 2025, of which ₹32 crore are due for over six months.

#### Liquidity: Adequate

IMSPL's liquidity profile remained adequate marked by high cash accruals and comfortable cash and bank balance. The company is expected to continue to report healthy cash accruals, which would sufficiently cover upcoming term debt repayments translating into satisfactory DSCR. The company's free cash and cash equivalents stood at ₹144 crore and ₹95 crore of fixed deposit (FD) lien marked as on March 31, 2025. Average working capital limits utilisation for 12 months ending February 2026 was 33.03%.

### Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Service Sector Companies](#)

[Financial Ratios – Non financial Sector](#)

[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, 2024 (A)	March 31, 2025 (A)	December 31, 2025 (UA)
Total operating income	749.04	843.35	451.97
PBILDT*	71.70	101.34	70.36
Profit after tax (PAT)	55.78	67.37	25.89
Overall gearing (x)	0.11	0.20	NA
Interest coverage (x)	15.42	11.00	11.42

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

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**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	48.00	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 (04-Jul-25)	1)CARE BBB+; Stable (04-Apr-24)	-	1)CARE BBB+; Stable (29-Mar-23)

					2)CARE BBB+; Stable (03-Apr-25)			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 (04-Jul-25)  2)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	48.00	CARE BBB+; Stable	1)CARE BBB+; Stable (04-Jul-25)	-	-	-

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 Solutions Private Limited	Full	Subsidiary
7.	Integra Infotech Inc., USA	Full	Subsidiary
8.	Nearex Technologies Private Limited	Full	Subsidiary
9.	Argenti Innotech Private Limited	Proportionate	Associate
10.	I25 Outreach Private Limited	Proportionate	Associate
11.	Green Power Plantations India Private Limited	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](mailto:care@careedge.in) for clarifications.

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