Compucom Software Limited

June 29, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	5.00	CARE BBB-; Negative	Assigned
Long-term / Short-term bank facilities	14.50	CARE BBB-; Negative / CARE A3	Reaffirmed; Outlook revised from Stable
Long-term bank facilities	-*	-	Withdrawn

Details of instruments/facilities in Annexure-1.
*Ratings assigned to the Term Loan facility sanctioned by IndusInd Bank Limited has been withdrawn based on the 'No Dues certificate' furnished by the company.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Ratings assigned to bank facilities of Compucom Software Limited (CSL) continue to derive strength from its promoters' extensive experience in the Information and Communications Technology (ICT) sector and the company's established track record in securing and executing government projects across various states. Ratings are further supported by CSL's comfortable capital structure, and adequate liquidity. Ratings also take into cognisance commencement of operations in the company's hospitality division, though stabilisation of the same remains to be seen.

However, ratings remain constrained by the tender-driven nature of its ICT operations, resulting in a significant dependence on government contracts. Ratings consider significant moderation in company's revenue and profitability from this division owing to non-receipt of new orders, with continued modest revenue visibility in near term.

Ratings are also moderated by the risk of delays in receivables from state government departments, execution risks associated with project diversification initiatives, intense competition from both organised and regional players, and moderate debt coverage indicators.

CARE Ratings Ltd. (CARE Ratings) has withdrawn the ratings assigned to the Term Loan as the same has been fully repaid and 'No Dues' certificate has been received for the same.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in total operating income (TOI) to over Rs.80 crore with increase in procurement of tenders, along with stabilization of hotel and cold storage facilities.
- Improvement in collection period to around 200 days, enhancing the liquidity profile of the entity.

Negative factors

- Failure in procurement of new orders / delayed execution of existing orders resulting in continued moderation in TOI along with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin falling below 12.00% on a sustained basis
- Deterioration in overall gearing beyond 0.50x on sustained basis or moderation in liquidity profile resulting in significant depletion of available liquidity / increased reliance on working capital debt.

Analytical approach: Consolidated

For arriving at ratings of CSL, CARE Ratings Limited (CareEdge Ratings) has taken a consolidated approach of CSL and its wholly owned subsidiary, CSL Infomedia Private Limited (CIPL). CIPL is mainly engaged in multimedia, content development, and education TV segment, and provides satellite education infrastructure, which is utilised by CSL for providing education services. Majority revenue in the consolidated financials is contributed by CSL. Consolidated entities are mentioned in Annexure-6.

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

Outlook: Negative

The Negative Outlook is on the expectation that CSL's business performance may remain under pressure over the medium term owing to limited order inflows in its ICT segment. The outlook may be revised to 'Stable' if the company demonstrates a sustained improvement in its order book position through meaningful order wins and / or achieves stable revenue generation from its diversification initiatives, enhancing revenue visibility.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with established track record of operations

CSL was incorporated in 1999 and has a long track record of operations and extensive experience of its promoters. Surendra Kumar Surana, serving as Managing Director and Chief Executive Officer (MD & CEO), has over 30 years of experience in the ICT industry. He is ably supported by experienced staff overseeing their respective functions. The company has a qualified and experienced Board of Directors.

Demonstrated track record in securing and executing projects of State Governments, though with moderation in revenue visibility

CSL is engaged in providing information technology (IT) hardware, software, and learning solution services to State Governments, primarily the Government of Rajasthan. The company derives ~80% of its revenues from its learning solution services. It has successfully completed five ICT projects, two Computer Aided Learning Programme (CALP) projects, and two other computer lab-related service projects for 525 schools and 53 schools under the Government of Rajasthan, along with an ICT project and a Computer Aided Training Programme (CATP) project for the Government of Bihar.

While the company has an established track record of over two decades in executing government tenders, its operations remain geographically concentrated. In recent years, amid increased competition, CSL has not been able to secure significant new orders for the past 2-3 years, and its turnover largely depends on a few long-term contracts with remaining tenure of 2–2.5 years. Accordingly, augmentation of the order book and sustained execution of existing contracts remains critical from a credit perspective.

Comfortable capital structure despite moderation in debt coverage indicators

CSL maintained a comfortable capital structure as on March 31, 2026, with an overall gearing of 0.34x (FY25: 0.21x) and a stable net worth of ₹141.85 crore. Debt levels increased to ₹48.58 crore, primarily comprising working capital borrowings; however, the majority of the same is backed by fixed deposits, and it remained supported by cash and liquid investments of ₹40.01 crore, reflecting adequate liquidity.

However, debt coverage indicators moderated in FY26, with PBILDT interest coverage at 0.87x (FY25: 1.53x) and total debt/gross cash accruals (GCA) at 5.79x (FY25: 4.34x), reflecting pressure on profitability and accrual generation. Improvement in profitability and debt coverage indicators shall remain a key rating monitorable.

Key weaknesses

Limited scale of operations and subdued revenue visibility, with moderation in profitability

CSL's TOI remained broadly stable at ₹34.14 crore in FY26 (FY25: ₹33.68 crore), reflecting a limited scale of operations and subdued revenue visibility. Operating profitability moderated to 7.55% in FY26 (FY25: 17.43%), driven by higher operating costs (including losses incurred in the recently commenced hotel operations owing to its initial stage) and lower contribution from project execution activities.

The company continues to have limited order book visibility, with revenues largely depending on a few long-term contracts and no significant new order additions during the period. Accordingly, the scale of operations remained constrained, resulting in subdued revenue visibility over the medium term.

Tender-based nature of operations with high dependence on government tenders

Majority of CSL's revenue is derived from participation in tenders floated by state governments for CALP/ICT projects, making its operations depend on the policies of government authorities. As tenders for these projects are not issued by states on a regular basis, the company's TOI has historically remained volatile and limited. Accordingly, it is imperative for the company to consistently secure new tenders to ensure revenue visibility in the coming years.

Risk of delayed collections from state department for ICT projects

Historically, the company's ICT projects have been characterised by elongated payment cycles due to delays in receipts from government departments. This has resulted in elevated receivables, with the average collection period for the past three years remaining in the range of ~300–400 days. Accordingly, timely realisation of outstanding receivables, and sustained improvement in the collection cycle against historical levels, remains critical for the company's liquidity profile.

Commencement of hotel operations and advanced stage of completion of the cold storage project, despite stabilisation risk persists

CSL has undertaken diversification into the hospitality and cold storage segments. The company has developed a 4-star heritage hotel at Sitapura, Jaipur, with a total project cost of ~₹35 crore, which is largely completed and operational since December 2025. A cold storage facility of ~8,000 MT capacity is under execution at an estimated cost of ~₹11.50 crore. The projects are being largely funded through internal accruals. While the hotel has commenced operations, stabilisation of revenues and timely commissioning of the cold storage project (expected by Q3FY27) remain critical, exposing the company to execution and stabilisation risks.

Liquidity: Adequate

CSL maintained an adequate liquidity profile as on March 31, 2026, supported by low scheduled debt repayments and a healthy level of cash and investments of ~₹40 crore (excluding lien-marked FDs). While the company continues to exhibit a prolonged collection cycle from state government departments, a significant portion of its funding requirements is met through internal accruals and working capital borrowings backed by fixed deposits. However, nascent stage of operations of the hotel segment and pending commencement of operations of the cold storage facilities may necessitate reliance on external debt, given the moderate level of cash accruals. Accordingly, stabilisation of these projects, and improvement in the collection cycle, remain critical for the company's liquidity profile.

Ratings assigned to the Term Loan facility has been withdrawn based on the 'No Dues certificate' furnished by the company.

Environment, social, and governance (ESG) risks

Not applicable

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
- Service Sector Companies
- Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information technology	Information technology	IT - hardware	Computers hardware & equipment

Incorporated in 1995 by Surendra Kumar Surana, CSL is a listed company on BSE and NSE engaged in providing ICT infrastructure and education services to schools in Rajasthan through state government tenders. Its projects typically involve the supply of computer hardware, software, and related accessories, and delivery of education services for a fixed term, generally 3–5 years.

Consolidated Approach

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (Ab.)
Total operating income	70.32	33.68	34.14
PBILDT*	12.06	5.87	2.58
Profit after tax (PAT)	5.59	1.48	2.88
Overall gearing (x)	0.27	0.21	0.34
Interest coverage (x)	5.61	1.53	0.87

A: Audited UA: Unaudited; 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 (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		-	-	-	5.00	CARE BBB-; Negative
Fund-based - LT-Term Loan		-	-	January 2031	0.00	Withdrawn
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	14.50	CARE BBB-; Negative / 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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BBB-; Stable (05-Jun-25)	1)CARE BBB-; Stable (12-Jul-24)	1)CARE BBB-; Stable (06-Jul-23)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	14.50	CARE BBB-; Negative / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (05-Jun-25)	1)CARE BBB-; Stable / CARE A3 (12-Jul-24)	1)CARE BBB-; Stable / CARE A3 (06-Jul-23)
3	Non-fund-based - ST-Credit Exposure Limit	ST	-	-	-	1)Withdrawn (05-Jun-25)	1)CARE A3 (12-Jul-24)	1)CARE A3 (06-Jul-23)
4	Fund-based - LT-Cash Credit	LT	5.00	CARE BBB-; Negative				

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	CSL Infomedia Private Limited	Full	Wholly-owned subsidiary

Annexure-7: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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