Allvy Software Solutions Private Limited

July 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Long-term / Short-term bank facilities	20.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

List of facilities / instruments falling under the purview of financial sector regulators (FSRs), and the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Allvy Software Solutions Private Limited (ASSPL) to monitor the rating(s) vide e-mail communications dated April 17, 2026, April 23, 2026, May 01, 2026, May 05, 2026, May 11, 2026, May 19, 2026, May 25, 2026, May 29, 2026, June 02, 2026, and June 04, 2026, and numerous phone calls. However, despite repeated requests, the entity has not provided the requisite information for monitoring the rating. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Ratings on bank facilities of ASSPL will now be denoted as CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders, and the public at large) are hence requested to exercise caution while using above rating(s).

The last ratings assigned to bank facilities of ASSPL were constrained by its moderate capital structure, moderate debt coverage indicators, high working capital intensity, presence in a highly competitive industry, and stretched liquidity position. However, ratings derived comfort from the improvement in the company's scale of operations, healthy profitability levels, and extensive experience of promoters in the industry.

Analytical approach: Standalone

Outlook: Stable

CareEdge Ratings expects the company to continue benefiting from promoters' experience and strong, well-established relationships with suppliers and customers.

Detailed description of key rating drivers:

At the time of last rating on July 02, 2025, the following were the rating strengths and weaknesses.

Key weaknesses

High working capital intensity

The entity's operations are working capital intensive, as reflected by gross current asset (GCA) days of 361 in FY25 (PY: 190) and a working capital cycle of 78 days in FY25 (PY: 74 days). The working capital cycle remained largely stable due to a reduction in inventory holding period, offset by an increase in receivables and payables days. Average inventory period declined from 18 days in FY24 to 14 days in FY25, while average collection period increased significantly from 108 days to 197 days. Similarly, average creditors period rose from 52 days to 133 days in the same period. Elongation in the collection period in FY25 was mainly attributable to revenue of ~₹51 crore (excluding GST) being recognised in the last quarter of the year. Net working capital (NWC) as a percentage of total capital employed stood at ~64% in FY25 (PY: ~82%).

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

Moderate capital structure
The entity's capital structure stood moderate, with an overall gearing of 1.42x as on March 31, 2025, compared to 1.33x as on March 31, 2024, reflecting high reliance on external debt. Debt profile primarily comprises working capital borrowings and unsecured loans from promoters. Total outside liabilities to net worth stood elevated at 4.41x as on March 31, 2025, compared to 2.05x as on March 31, 2024. The deterioration in FY25 was mainly due to increased working capital borrowings. However, capital structure is expected to improve going forward, supported by accretion of profits to reserves, leading to an enhancement in net worth.

Moderate debt coverage indicators
Debt coverage indicators remained modest, with a comfortable profit before interest, lease rentals, depreciation and taxation (PBILDT) interest coverage ratio of 6.93x in FY25 (6.92x in FY24) and a total debt to gross cash accruals ratio of 3.63x in FY25 (2.44x in FY24). Despite an increase in debt levels, the indicators remained stable, supported by improved profitability driven by higher operational scale. Going forward, debt coverage metrics are expected to remain strong, aided by further improvement in profits.

Presence in highly competitive industry
ASSPL operates in a highly competitive landscape, facing intense pressure from large, well-established players, which constrains its pricing flexibility and weighs on its operating margins. The company remains exposed to broader industry risks inherent to the IT sector, including potential slowdowns in global demand and elevated employee attrition levels, both of which could adversely affect its operational performance. These challenges underscore the need for strategic foresight, effective workforce management, and a robust risk mitigation framework to sustain competitiveness and ensure operational resilience.

Key strengths
Extensive experience of promoters in the industry
ASSPL is promoted by Ratna Kiran Nachu and Sriram Maddula. Ratna Kiran Nachu, the Director and CEO, is a graduate with over 18 years of industry experience, while Sriram Maddula, the Director and COO, also a graduate, brings with him 17 years of professional experience. The company is managed by a team of well-qualified and experienced professionals with expertise across domains, contributing to its efficient operations and execution capabilities.

Improvement in scale of operations
Total Operating Income (TOI) registered a robust compounded annual growth rate (CAGR) of 74.82% for four-year ending FY25. In FY25, TOI increased by ~65% to ₹84.82 crore compared to FY24, driven by higher order inflows from customers. The company has a modest net worth base, which stood at ₹17.60 crore as on March 31, 2025. As of May 31, 2025, the company had an unexecuted order book of ₹159.03 crore, equivalent to 1.87x its TOI for FY25. Going forward, scale of operations is expected to improve, supported by anticipated growth in demand and a healthy order book.

Comfortable profitability
ASSPL's operating profitability, while remaining at a comfortable level, has exhibited a volatile trend, with the PBILDT margin fluctuating between 12-19% for five-years ending FY25. The margin improved from 12.69% in FY23 to 18.68% in FY24, before moderating to 12.01% in FY25. Sharp increase in FY24 was primarily driven by a relative reduction in the cost of materials consumed, as the company executed a higher proportion of operations and maintenance component and a lower portion of the capex component of its contracts. Notably, capex-related works typically carry lower margins compared to operations and maintenance (O&M) services. Profit after Tax (PAT) margin remained comfortable at 7.46% in FY25 (PY: 10.52%). Return on capital employed (ROCE) was healthy at 29.65% in FY25 (PY: 41.30%), supported by a robust fixed asset turnover of 12.69x (PY: 8.52x). Looking ahead, profitability is expected to improve, supported by an anticipated increase in turnover, better realisations, and stable input costs.

Liquidity: Not applicable

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

- Definition of Default
- Liquidity Analysis of Non-financial sector entities
- Information Adequacy Risk and Issuer Non-Cooperation
- 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 on December 28, 2011, ASSPL is a Hyderabad, Telangana-based ISO certified company promoted by Ratna Kiran Nachu and Sriram Maddula. The company is primarily engaged in smart city implementation and cloud computing services, catering mainly to government authorities such as municipal bodies. ASSPL's service portfolio includes a broad range of solutions such as installation of CCTV cameras, Wi-Fi routers for data management, traffic management systems including traffic signal installations, public Wi-Fi hotspots, data centre and disaster recovery infrastructure, solid waste management systems, traffic enforcement systems, digital libraries, surveillance systems, Security Operations Centers, e-governance platforms, Geographic Information Systems, deployment of district cyber labs and contact centers, and supply of select hardware and software components.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	51.53	84.82
PBILDT*	9.62	10.19
Profit after tax (PAT)	5.42	6.32
Overall gearing (x)	1.33	1.42
Interest coverage (x)	6.92	6.93

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		-	-	-	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-BG/LC		-	-	-	20.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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-Cash Credit	LT	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (02-Jul-25)	-	-
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	20.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (02-Jul-25)	-	-

*Issuer did not cooperate; based on best available information.
LT: Long 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

Annexure-6: List of entities consolidated: Not applicable

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 FSRs, and 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
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), among others. 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 and 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 in 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.

[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.

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