



## Press Release

### SCS Tech India Private Limited

June 27, 2025

#### Ratings

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	15.00	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	-	Assigned	Simple
Short Term Bank Facilities	55.00	IVR A3 (IVR A Three)	-	Assigned	Simple
<b>Total</b>	<b>70.00</b> <b>(Rupees Seventy Crore only)</b>				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

Infomerics Ratings has assigned its rating to the bank facilities of SCS Tech India Private Limited (STIPL). The ratings take into account the experienced promoter supported by well qualified management team and established track record of operations and relationship with reputed clientele, healthy financial risk profile along with satisfactory order book position providing revenue visibility. However, the rating strengths remain constrained due to modest scale of operations and profitability, working capital intensive operations and competition from major players and inherent industry and technology obsolescence risk.

The Stable outlook is assigned due to expected stable performance backed by extensive experience of the Promoter and management team along with long track record of the company's operations in the IT industry.

#### Key Rating Sensitivities:

##### Upward Factors

- Substantial and sustained improvement in revenue while maintaining profitability and capital structure



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### **Downward Factors**

- Any decline in revenue and profitability leading to deterioration in debt protection metrics or liquidity
- Any debt funded capex leading to deterioration in the debt protection parameters and/or the liquidity position of the company

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Experienced promoters in the industry and established track record of operations**

Mr. Sujit Patel, is the founder director of the company and a technocrat, having experience of close to three decades in the IT industry. The other directors, Mrs. Roxan Patel and Mr. Subramonia Iyer, are also highly qualified and having vast experience of over a decade and four decades respectively in IT and business operations. The rich experience of the promoters has helped STIPL maintain healthy relationship with the suppliers as well as customers. This apart, there is a group of experienced and adequately qualified software engineers and personnel in various positions of the company. Furthermore, the company commenced its operation since 2010, resulted in long and proven track record.

##### **Established relationship with reputed clientele resulting in low counter party risk**

Since inception, the company is engaged in providing Information Technology related services to various State Government, Central Government agencies and private organisations throughout the country. The company a service provider for Maharashtra State Electricity Distribution Co Ltd, Central Electronics Ltd (CEL), Brihanmumbai Municipal Corporation, Power Grid Corporation of India Limited, Pune Municipal Corporation, Geological Survey of India and other numerous central and state government departments. This apart, the company also provides IT services to various big domestic private players engaged in oil & gas, fintech, manufacturing, and various other sectors.

##### **Healthy financial risk profile**

Financial risk profile of the company has continued to remain healthy over the years. Capital structure of the company remained underleveraged, where overall gearing was at 0.64x as on March 31, 2024. The Total Outside Liabilities/ Tangible Net worth stood moderately high at 2.22x as on March 31, 2025 (March 31, 2024: 1.60x) largely led by increased unsecured loans



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by the promoters in the company to fund the escalated scale of operations. Interest coverage ratio remained satisfactory in FY25 at 2.77x, though lower on a y-o-y basis on the back of higher interest expenses. DSCR was adequate at 3.63x in FY25 (Prov). Current ratio also stood adequate at 1.67x as on March 31, 2025.

### **Satisfactory order book position**

The company has an unexecuted order book of ~Rs. 172 crore as on June 2025, which expected to be completed within the next 1-2 years. The current order book is ~1.60 times of revenue earned in FY25 (Prov.), and it also ensures good revenue visibility in coming financial years. Further the company has also placed bids for orders amounting to Rs. 375 crore and the result is awaited for the same. The other orders amounting to Rs. 275 crore is in funnel and is to be executed by during FY26 - FY28, including AMC tie-ups.

### **A. Key Rating Weaknesses**

#### **Modest scale of operations and declining profitability**

Despite long track record of the company, scale of operations stood relatively modest marked by total operating income (TOI) of Rs. 104.87 crore during FY25 Prov. (refers to period from April 1, 2024 to March 31, 2025), registering a notable growth of ~70% during the year after witnessing a decline of ~13% during FY24 which followed an exceptional surge in FY23. This strong performance was driven by timely project execution and milestone-based completions. The FY23 growth was largely attributed to both spillover effects and milestone achievements from the preceding year.

The EBIDTA margins of the company witnessed contraction of about 580 basis points in FY24 and ~800 basis points on a y-o-y basis in FY25 led by increase in hardware-based projects handled during the year. These types of projects usually earn lower profits compared to software or service-related work. As a result, the cost of materials used in projects went up in FY24 and FY25. Similarly, the PAT margins also witnessed contraction of over 200 basis points each in FY24 and FY25 led by higher tax outgo.

#### **Working capital intensive operations**

The company's operations are working capital intensive in nature as reflected by its operating cycle (days) of around 147 days as on March 31, 2025 as against 103 days in FY24 primarily due to the company's exposure to government and public sector clients, which typically



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operate on milestone-based billing and extended payment cycles. These clients form a large portion of the company's receivables and, while payments may be delayed, they carry minimal credit risk and are considered recoverable. Also, the receivables include both due and non-due debtors. A significant portion of the non-due debtors pertains to long-term AMC (Annual Maintenance Contract) arrangements, where payments are scheduled to be collected over a period of 1-2 years. These are part of ongoing service contracts and do not necessarily indicate payment delays.

### **Competition from major players in the industry and technology obsolescence risk**

IT/ITES industry is very competitive and mostly organised in India. The company faces stiff competition from large industries impacting its pricing flexibility; in addition to the ability of the company to acquire new customers also. There are various players catering to the same 4 market which leads to limiting the bargaining power of the company and consequent pressure on its margins. The company's modest scale of operations restricted its operational and financial flexibility to an extent. Any adverse technological changes would have an adverse impact on the revenues of the company. Though the company is empanelled by various Government agencies for IT needs, the orders are majorly awarded through the tender-based system.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Service Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

### **Liquidity - Adequate**

The current ratio of the company stood at 1.67x as on March 31, 2025. Its fund-based working capital limits remained moderately utilised at around ~80% and non-fund based working capital limits remain utilised at ~41% during the past twelve months ended March 2025, thus



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indicating moderate liquidity headroom coupled with cash and cash equivalents at Rs. 1.77 crore as on March 31, 2025.

### **About the Company**

SCS Tech India Private Limited, incorporated in 2010, promoted by Mr. Sujit Dharamdas Patel and Mrs. Roxan Sujit Patel, is an IT & ITES service provider with services spanning AI/ML services, Cybersecurity, GIS, Smart Automation, Cloud, and Enterprise IT. It focuses on IT infrastructure based solutions viz. disaster management solutions [comprising vehicle tracking system with complete in-built customized software to handle various command & control system, GIS (Geographic Information System) trackers, servers, networking, storages, CCTV (Closed-circuit Television) cameras, etc.] and smart city solutions [comprising installation of various networking solutions, fibre optics, IS & GPS (Global Positioning System) solutions, etc. The name of the company has been changed from S.C.S. Private Limited to SCS Tech India Private Limited on August 13, 2019.

STIPL operates from its head office in Mumbai and caters to both government and private sector clients and caters to various industries such as Oil & Gas, BFSI, Homeland Security & Defence, Transport & Logistics, Healthcare, Education, Agriculture, Urban Infrastructure with Solid Waste Management and Capacity Building and Skill Development.

### **Financials (Standalone):**

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	<b>Audited</b>	<b>Provisional</b>
Total Operating Income	61.76	104.87
EBITDA	11.50	10.59
PAT	6.93	9.91
Total Debt	11.22	28.25
Tangible Net Worth	34.52	44.44
EBITDA Margin (%)	18.63	10.10
PAT Margin (%)	10.99	8.79
Overall Gearing Ratio (x)	0.32	0.64
Interest Coverage (x)	4.08	2.77

\* Classification as per Infomerics' standards.



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**Status of non-cooperation with previous CRA:** ACUITE Ratings, vide its Press release dated May 25, 2025 downgraded its rating to “Issuer Not Cooperating” on account of inadequate information and lack of management cooperation for monitoring the rating.

**Any other information:** Not Applicable

### Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date	Date	Date (November 11, 2022)
1.	Long Term Fund Based Bank Facilities	Long Term	15.00	IVR BBB-/ Stable	-	-	IVR BB- (IVR Double B Minus) and Withdrawn
2.	Short Term Fund Based Bank Facilities	Short Term	55.00	IVR A3	-	-	IVR A4 (IVR A Four) and Withdrawn
3.	Proposed Long Term Bank Facilities	Long Term	1.68	-	-	-	Withdrawn
4.	Proposed Long Term Bank Facilities	Long Term	5.00	-	-	-	Withdrawn

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### About Infomerics:

Infomerics Valuation and Rating Ltd. (formerly Infomerics Valuation and Rating Private Ltd.) (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).





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Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan /GECL	-	-	Upto Feb 2027	0.15	IVR BBB-/ Stable
Cash Credit	-	-	Revolving	7.50	IVR BBB-/ Stable
Letter of Credit/Bank Guarantee	-	-	-	27.50	IVR A3
Proposed Cash Credit	-	-	-	7.35	IVR BBB-/ Stable
Proposed Letter of Credit/Bank Guarantee	-	-	-	27.50	IVR A3

### Annexure 2: Facility wise lender details:



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<https://www.infomerics.com/admin/prfiles/len-SCSTech-june25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

Name of the Security		Detailed Explanation
	<b>Financial Covenant</b>	
	i.	
	ii.	
	<b>Non-financial Covenant</b>	
	i.	
	ii.	

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).