

June 23, 2026

## Central Data Systems Private Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Cash credit	55.00	55.00	[ICRA]BBB- (Stable); reaffirmed
Long-term – Bank guarantee	10.00	10.00	[ICRA]BBB- (Stable); reaffirmed
<b>Total</b>	<b>65.00</b>	<b>65.00</b>	

\*Instrument details are provided in Annexure-II

### Rationale

The rating reaffirmation for Central Data Systems Private Limited (CDSPL) factors in its healthy revenue growth, backed by adequate order inflows, which is likely to sustain in the medium term. CDSPL is an IT infrastructure solution provider. The company's revenues grew by 19% to Rs. 245 crore in FY2026. With the outstanding orderbook of Rs. 45-50 crore as of May 2025 and expected new order inflow, the revenues are projected to increase by 15-20% in FY2027, while maintaining operating margins at 5-6%. CDSPL has adequate debt coverage and leverage metrics, which are likely to continue in the medium term, aided by anticipated steady growth in operating profits and absence of debt-funded capital expenditure (capex) plans. The rating notes the significant experience of its promoters in the IT hardware services spanning more than three decades, along with its diversified and reputed client base across industries and geographical locations in India.

The rating, however, remains constrained by the high working capital-intensive nature of operations. The company has a moderately high debtors' cycle, although it is supported by an extended interest-free credit period provided by the original equipment manufacturers (OEMs). The debtor days stood at 82 and creditor days at 78 as of December 2025. Further, the inventory maintained by CDSPL is largely order-backed as it only purchases equipment from OEMs once it gets confirmed orders from customers. Given the company's growth prospects, the working capital cycle is likely to remain elongated and will continue to be the key monitorable. The operating margin for CSDPL remains moderate, given the relatively limited value-additive nature of operations and declined to 5.8% in 9M FY2026 from 7% in FY2024 due to increase in traveling costs and execution of some low-margin orders. The rating is constrained by its moderate scale of operations, despite the expected near-term revenue growth and modest net worth of Rs. 50.3 crore as of December 2025.

The Stable outlook on the rating reflects ICRA's opinion that CDSPL will benefit from the sustained growth in revenues, diversified as well as reputed client base and the experience of its promoters in IT hardware services.

### Key rating drivers and their description

#### Credit strengths

**Steady growth in revenues backed by order inflow and adequate debt protection metrics** – CDSPL had healthy revenue growth, backed by adequate order inflows, which is likely to sustain in the medium term. The company's revenues grew by 19% to Rs. 245 crore in FY2026. With the outstanding orderbook of Rs. 45-50 crore as of May 2025 and expected new order inflow, the revenues are projected to increase by 15-20% in FY2027, while maintaining operating margins at 5-6%. CDSPL has adequate debt coverage and leverage metrics, which are likely to continue in the medium term, aided by anticipated steady growth in operating profits and absence of debt-funded capex plans. The company's leverage, as characterised by total outside

liability (TOL)/total net worth (TNW), is expected to improve to 1.9 times by March 2027 on the back of steady growth in operating profits with interest coverage of 2.9 times and debt service coverage ratio (DSCR) of 3.1 times in FY2027.

**Extensive experience of promoters in IT hardware services** – Incorporated in 2003, CDSPL offers IT infrastructure solutions and services for corporations across industries. Its infrastructure and digital solutions include end-to-end services for enterprise networking, security, data centre services, enterprise computing, cloud management and power conditioning. The promoters have more than three decades of experience in IT hardware services, which has helped to develop strong association with clients and suppliers/ OEMs for the business.

**Pan-India presence with diversified client base** – CDSPL has a pan-India presence through its offices at six locations viz, Bangalore, Hyderabad, Delhi, Mumbai, Chennai and Kolkata. The company has catered to reputed clients like Walmart, Amazon, Hindustan Coca Cola, Manipal Hospitals, Micron Semiconductor and Cisco among others in the past. The diversity in clients across varied industries reduces the client concentration risk.

### Credit challenges

**High working capital-intensive operation** – The company has a moderately high debtors' cycle, although it is supported by an extended interest-free credit period provided by the OEMs. The debtor days stood at 82 and creditor days at 78 as of December 2025. Further, the inventory maintained by CDSPL is largely order-backed as it only purchases equipment from OEMs once it gets confirmed orders from customers. Given the company's growth prospects, the working capital cycle is likely to remain elongated and will continue to be the key monitorable.

**Moderate scale of operations** – Despite revenues of Rs. 245 crore in FY2026 and 15-20% expected growth in FY2027, CDSPL's scale of operations remains moderate. The company faces intense competition from the established domestic as well as international players translating into limited pricing flexibility, which is reflected in its moderate operating margins.

**Modest net worth and moderate operating margins** – CDSPL reported a modest net worth of Rs. 50.3 crore as of December 2025. In addition, the operating margin for CSDPL remains moderate, given the relatively limited value-additive nature of operations and declined to 5.8% in 9M FY2026 from 7% in FY2024 due to increase in traveling costs and execution of some low-margin orders.

### Liquidity position: Adequate

The company's liquidity position is adequate. As of May 2026, CDSPL had an unencumbered cash balance of ~Rs. 13.6 crore, which is primarily parked in the form of fixed deposits. The average utilisation of the fund-based facilities remained at around 85% for the last 12 months ending in March 2026. The company also utilises overdraft facilities for working capital purposes, which are by 100% backed by fixed deposits. It does not have major long-term debt obligations and debt-funded capex plans.

### Rating sensitivities

**Positive factors** – The rating can be upgraded if there is a significant improvement in revenues and profitability, resulting in improvement in debt protection metrics, working capital position and liquidity position on a sustained basis.

**Negative factors** – ICRA could downgrade the rating in case of a material decline in revenues and profitability, or stretch in working capital cycle, or if there is a significant increase in indebtedness resulting in weakening of debt protection metrics and liquidity position on a sustained basis. Specific credit metric that could lead to a rating downgrade includes TOL/TNW higher than 2.2 times on a prolonged basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">IT - Software &amp; Services</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

CDSPL is an IT infrastructure solutions provider for entities across industries. Its infrastructure digital solutions include end-to-end services (purchase, installation, maintenance and repair) for enterprise networking, security, data centre services, enterprise computing, cloud management and power conditioning. CDSPL is an ISO 9001:2015 certified and ISO/IEC 27001:2013 certified company.

## Key financial indicators (audited)

CDSPL (standalone)	FY2024	FY2025	9MFY2026*
Operating income (OI)	194.6	206.7	161.7
PAT	8.1	7.0	8.8
OPBDITA/OI	7.0%	5.4%	5.8%
PAT/OI	4.2%	3.4%	5.4%
Total outside liabilities/Tangible net worth (times)	2.9	2.5	2.3
Total debt/OPBDIT (times)	4.8	6.8	5.7
Interest coverage (times)	3.4	2.3	4.0

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instruments	Type	Current (FY2027)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Jun 23, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long-term	55.0	[ICRA]BBB- (Stable)	Jul 08, 2025	[ICRA]BBB- (Stable)	May 24, 2024	[ICRA]BBB- (Stable)	Apr 19, 2023	[ICRA]BB+ (Stable)
Bank guarantee	Long-term	10.0	[ICRA]BBB- (Stable)	Jul 08, 2025	[ICRA]BBB- (Stable)	May 24, 2024	[ICRA]BBB- (Stable)	Apr 19, 2023	[ICRA]BB+ (Stable)
Unallocated limits	Long-term	-	-	-	-	May 24, 2024	[ICRA]BBB- (Stable)	Apr 19, 2023	[ICRA]BB+ (Stable)

**Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026**

ICRA-rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Instrument	FSR
Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) )	RBI
External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
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.

(\$): Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%): These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various FSR as under:

Activity name	FSR
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
Credit Rating of Borrowing programme	(@)
Issuer Ratings	(#)
Monitoring Agency	SEBI
Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@): 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 can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#): Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Cash credit	Simple
Bank guarantee	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure II: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	55.00	[ICRA]BBB- (Stable)
NA	Bank guarantee	NA	NA	NA	10.00	[ICRA]BBB- (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure III: List of entities considered for consolidated analysis: Not applicable**

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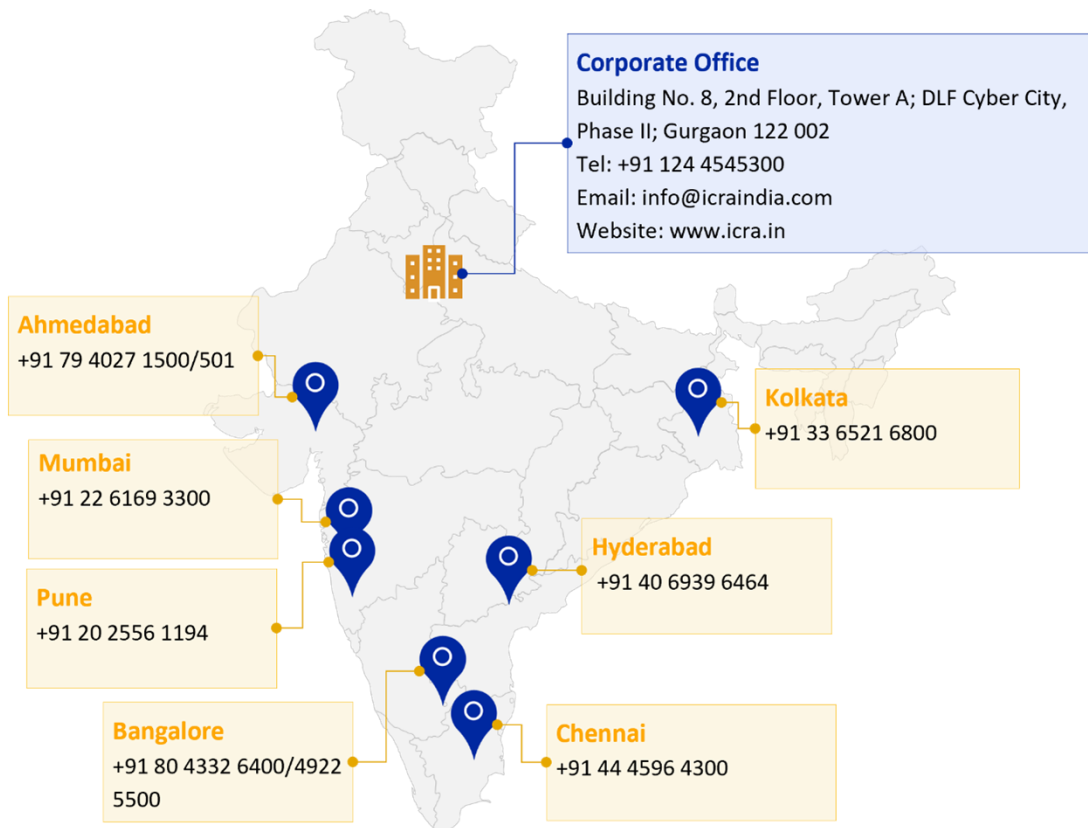
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