

July 22, 2025

## In-Solutions Global Limited: Long-term ratings upgraded to [ICRA]BBB+ (Stable) and short-term ratings Reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based - Cash Credit	33.00	18.00	[ICRA] BBB+ (Stable); Upgraded from [ICRA] BBB
Long Term - Fund Based - Term Loans	9.00	4.86	[ICRA] BBB+ (Stable); Upgraded from [ICRA] BBB
Long-term/Short Term - Unallocated	15.65	34.79	[ICRA] BBB+ (Stable); Upgraded from [ICRA] BBB; [ICRA]A3+; reaffirmed
<b>Total</b>	<b>57.65</b>	<b>57.65</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The long-term rating upgrade of In-Solutions Global Limited (ISGL) factors in the healthy improvement in processing high volume digital transactions and a steady growth in revenues, supported by strong demand for digital payments, which is expected to sustain in the country in the near-to-medium term. The company's established business position as a leading player in the payment solutions business with major banks, extensive experience of its promoters in the industry and its in-house software capabilities provide competitive edge over its peers.

On account of higher transaction volume, the company reported revenue of Rs. 323.4 crore in FY2025 against Rs. 255.2 crore in FY2024, a growth of 26.7%, supported by increase in digital payment transactions, led by surge in UPI transactions. Moreover, sustenance of a healthy growth in digital payment transactions in India is expected to bode well for the company. Besides, the company has acquired regulatory licence to launch its own payment gateway and prepaid payment instrument, which is further going to strengthen the company's market position and provide more avenues to scale up its business. An incremental volume opportunity from its PE investor, which has already commenced in FY2025, is expected to scale up further and provide further impetus to the earnings of the company. ISGL's financial profile remains comfortable, as marked by healthy capital structure and coverage metrics and adequate liquidity position.

The ratings, however, are constrained by ISGL's moderate scale of operations, resulting in limited economies of scale. Nonetheless, the company's revenues are expected to scale up well over the medium term, supported by growth in digital payments in the country and its association with JPMC. The ratings also factor in the vulnerability of ISGL's revenues to macroeconomic slowdown, resulting in a decline in the volume of financial transactions processed by the company, and its exposure to technology obsolescence risk and regulatory changes imposed by the Reserve Bank of India (RBI) or any other regulatory body.

The Stable outlook on the long-term rating reflects ICRA's expectation that ISGL's financial profile will continue to be healthy, backed by a steady growth in revenue led by digital payment transactions, established market position, long relationships with its customers and competitive edge extended by in-house operational capabilities to manage high volume transactions.

## Key Rating drivers and their description

### Credit strengths

**Established track record and market position in the industry amid buoyant demand outlook** – Set up in 2004, ISG is involved in providing digital payment solutions, including banking solutions, payment gateways, and e-governance services to banks, fintech companies, merchants, etc. Its service-tech platform supports a large volume of transactions annually, simplifying the payment collection process for its clients. Operating in this space for almost two decades now, ISG has established a strong track record and market position, especially in the reconciliation space.

**Established relations with reputed customer base** – ISG's operations are spread across India, West Asia and Africa with more than 50 banks as its customers. Operating in this industry for almost two decades now, ISG has established strong relationships with its clients, which include reputed names like HDFC Bank, Axis Bank, Punjab National Bank, and ICICI Bank, among others. Moreover, the company is expected to benefit from business opportunities by leveraging its services to cater to JPMC's global clientele.

**Comfortable capital structure and strong debt metrics** – ISG's financial profile continues to remain healthy, supported by its steady cash flow generation and comfortable capital structure along with strong coverage indicators on account of low debt level. The coverage indicators remained healthy with estimated Total Debt/OPBITDA of 0.4 times in FY2025 (Total Debt/OPBITDA of 0.8 times in FY2024). Moreover, the company's capital structure and coverage metrics are likely to remain comfortable, supported by improving cash flows amid absence of any debt-funded capex plan.

### Credit challenges

**Moderate scale of operations, although growing at a steady pace** – ISG's scale of operations continues to remain moderate with a top line of Rs. 323.4 crore in FY2025 (Rs. 255.2 crore in FY2024). Nonetheless, the company has posted a consistent revenue growth in the past few years, except in FY2021, when its operations were impacted by the pandemic. Going forward, ISG is expected to grow at a healthy pace, supported by an established and expanding customer base and strong growth in the digital payment space.

**Revenues susceptible to shocks or slowdown in macroeconomic conditions** – Being a payment solutions provider, ISG's performance is primarily dependent on the growth of digital transactions in India. Thus, any macroeconomic shocks or slowdown, impacting the digital payment industry, will have a direct bearing on ISG, as witnessed in FY2021. Nonetheless, ISG's long experience in the industry and its established relationships with clients, along with the recurring nature of its revenues mitigates the risk to an extent.

**Exposed to technology obsolescence risk and regulatory changes** – Operating in the payment solutions space, the company is exposed to the risks and regulations that are inherent to the fin-tech industry. ISG remains susceptible to risks related to technological changes, competition from substitutes and shifts in customer demand apart from data management and cybersecurity risks. However, ISG has made continuous efforts to update its own in-house software to accommodate regulatory changes and updated the technology, in lines with market demand, which mitigates the risk to a certain level. This necessitates continued investments in technology upgradation and diversification efforts to support mitigation of the technological obsolescence risk. Further, payment as a service industry is exposed to regulatory changes, in which any intervention by RBI or any other regulatory body might lead to an increase in compliance cost, impacting revenue and profitability.

### Liquidity position - Adequate

ISGL's liquidity position is adequate, supported by steady internal cash accruals, cash and liquid investments of Rs. 110.8 crore, as on March 31, 2025, which include encumbered cash of Rs. 73.6 crore. The liquidity is further aided by sufficient cushion in its working capital limit of Rs. 51.25 crore with an average utilisation of 44% in the last 12-month period ending in April 2025.

The company has capex plans of Rs. 10 crore in the near term to enhance its operational capacity and modest repayment of term loan, which is expected to be funded comfortably by internal cash flows.

### Rating sensitivities

**Positive factors** - ICRA could upgrade ISG's ratings if the company demonstrates healthy revenue growth and cash flows generation, while maintaining liquidity position on a sustained basis.

**Negative factors** - Negative pressure on ISG's ratings could arise if there is considerable decline in cash flows and/or a stretched receivable cycle exerting pressure on the company's liquidity position. Specific credit metrics that could lead to a downgrade of ISG's ratings include interest coverage below 4.0 times on a sustained 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	For arriving at the ratings, ICRA has considered the consolidated financials of ISG

### About the company

Established in 2004, ISG is a fin-tech company and a payment solutions provider with operations across India, West Asia and Africa, with more than 50 banks as its customers. ISG partners with acquirers, issuers and card scheme networks (like VISA, Mastercard, NPCI, etc.) for processing, reconciling and settling payment transactions annually, including, providing audit assurance and dispute resolution in a transaction lifecycle with the help of its more than 25 indigenously developed Intellectual Property Rights (IPRs) for software. In December 2022, JP Morgan Chase Strategic Investment Corporation invested Rs.74.4 crore against an equity stake of 4.99%. Adelia Castelino, Co-Founder and Managing Director, owns 40.9% equity share while Ivan Castelino, Director, owns 6.5% equity share. The rest is owned by group companies and key individuals.

### Key financial indicators

ISGL (Consolidated)	FY2024	FY2025*
Operating income	255.2	323.4
PAT	16.3	30.9
OPBDIT/OI	18.2%	22.0%
PAT/OI	6.4%	9.6%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDIT (times)	0.8	0.4
Interest coverage (times)	11.3	17.6

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation,

Note: All financial ratios as per ICRA's calculation; \* Provisional

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

**Any other information: None**

## Rating history for past three years

Instrument	Type	Current year (FY2026)		Chronology of rating history for the past 3 years						
		Amount Rated (Rs Crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Cash Credit</b>	Long term	18.00	Jul 22, 2025	[ICRA]BBB+ (Stable)	Apr 05, 2024	[ICRA]BBB (Stable)	-	-	Jan 19, 2023	[ICRA] BBB (Stable)
<b>Term Loan</b>	Long term	4.86	Jul 22, 2025	[ICRA]BBB+ (Stable)	Apr 05, 2024	[ICRA]BBB (Stable)	-	-	Jan 19, 2023	[ICRA]BBB (Stable)
<b>Fund Based facilities</b>	Short term	-	-	-	-	-	-	-	Jan 19, 2023	[ICRA]A3
<b>Unallocated</b>	Long-term/Short Term	34.79	Jul 22, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A3+	Apr 05, 2024	[ICRA]BBB (Stable)/ [ICRA]A3+	-	-	Jan 19, 2023	[ICRA]BBB (Stable)/ [ICRA]A3+

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term - Fund Based - Cash Credit	Simple
Long Term - Fund Based - Term Loans	Simple
Long-term/Short Term – Unallocated	Not Applicable

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 I: 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	18.00	[ICRA] BBB+ (Stable)
NA	Term Loan	FY2019	8.5% - 9.0%	FY2027	4.86	[ICRA] BBB+ (Stable)
NA	Unallocated	NA	NA	NA	34.79	[ICRA] BBB+ (Stable)/[ICRA]A3+

Source: Company

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

**Annexure II: List of entities considered for consolidated analysis**

Company Name	ISG's Ownership	Consolidation Approach
In-Solutions Global Limited	100.00%	Full Consolidation
Credit Card Consultants Private Limited	79.68%	Full Consolidation

Source: ISG annual report FY2024

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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