

December 12, 2025

Unecops Technologies Limited: Ratings upgraded to [ICRA]A- (Stable)/[ICRA]A2+

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based/ Cash credit	40.00	40.00	[ICRA]A-(Stable); upgraded from [ICRA]BBB+ (Stable)
Long-term Fund-based Term Loan	3.00	3.00	[ICRA]A-(Stable); upgraded from [ICRA]BBB+ (Stable)
Short-term Non-fund Based	60.00	60.00	[ICRA]A2+; upgraded from [ICRA]A2
Long-term/ Short-term – Unallocated	0.20	0.20	[ICRA]A-(Stable); upgraded from [ICRA]BBB+ (Stable)/ [ICRA]A2+; upgraded from [ICRA]A2
Total	103.20	103.20	

*Instrument details are provided in Annexure-I

Rationale

The ratings upgrade for Unecops Technologies Limited (UTL) factors into account the strong revenue growth and higher earnings reported by the company in FY2025 and ICRA's expectation that the same would sustain in the near-to-medium term. UTL's revenue has witnessed a CAGR of 65% over the past five years (FY2021-FY2025), backed by steady execution of orders from Government entities, especially in the education technology (EdTech) sector to set up virtual/smart classrooms, Atal Tinkering Labs, and modernisation of education infrastructure under the Government of India's (GoI's) initiatives across various states. The company's revenue grew by 129% to Rs. 1,204.7 crore in FY2025 and ICRA expects the growth momentum to continue over FY2026-FY2027, given the company's healthy order book of about Rs. 2,900 crore as on September 30, 2025. UTL's capital structure and debt protection metrics have remained comfortable, supported by a strong increase in earnings and no material increase in debt levels; and are expected to sustain over the near to medium term. Additionally, the ratings continue to factor in UTL's established track record and extensive experience of its promoters in the IT infrastructure industry, especially in the Government education sector, along with low counterparty risk as most of its customers are from the public sector.

However, ICRA notes the company's increased dependence on external borrowings to fund the growing scale of operations owing to high receivable days, inherent to the industry. Nonetheless, the company has been able to collect its receivables on a timely basis with no receivables exceeding 180 days as on September 30, 2025. Also, the company's healthy revenue growth and internal accrual generation have enabled it to maintain a comfortable capital structure and adequate liquidity position.

The ratings are, however, constrained by the limited pricing flexibility owing to intense competition in the industry and limited value addition in the nature of its operations, which has continued to result in moderate profit margins for UTL. Moreover, timely execution and the ability to sustain its fresh order inflow would remain critical for maintaining its profitability.

The ratings also factor in the high concentration of pending order book in Bihar, where UTL's order book execution and receivable cycle can be impacted by adverse policy/regulatory changes. However, the company has demonstrated execution capabilities in Bihar and other states over the years, its established relationship with the state authorities, along with incremental orders from other states, leading to diversification and reduced concentration risk.

The Stable outlook on UTL's long-term rating reflects ICRA's opinion that the company will report healthy revenue growth and accrual generation over the near-to-medium term, supported by execution of its healthy order book position.

Key rating drivers and their description

Credit strengths

Established operational track record and extensive experience of promoters in the industry — UTL was incorporated in 1995 by its promoter, Mr. Peeyush Jain, who has extensive experience in the industry. Further, the company has an established operational track record of over two decades in providing IT/electronic hardware and maintenance services, primarily to various Government entities in the education sector. Also, it is involved in installing and commissioning of solar power systems for public sector entities. The company also generates revenue from licencing Environmental Systems Research Institute (ESRI) software, along with developing and maintaining websites for various public sector undertakings (PSUs) and Government bodies.

Low counterparty risk as most customers are from the public sector – The company faces low counterparty risks as most of its customers are from the public sector, including entities like Broadcast Engineering Consultants India Limited (BECIL), Telecommunications Consultants India Limited (TCIL), Railtel Corporation of India (Railtel), Airports Authority of India (AAI), Delhi Police, National Informatics Centre Service Inc. (NICS), etc.

Healthy revenue growth in recent years; momentum expected to sustain because of sizeable order book position — UTL has posted a healthy revenue growth in FY2025, supported by steady execution of its order book. It earned an aggregate revenue of Rs. 1,204 crore during the fiscal (Rs. 526 crore in FY2024) and the growth momentum is likely to continue into FY2026, with revenue of Rs. 1,032 crore till 7M FY2026. Further, it has a healthy outstanding order book of around Rs. 2,900 crore (as on September 30, 2025), which is expected to support revenue growth over the near term.

Comfortable capital structure and coverage indicators – UTL's capital structure remains comfortable, supported by healthy accretion to reserves and no significant increase in debt levels. UTL's debt declined to Rs. 32.2 crore as on March 31, 2025 (Rs. 111.6 crore as on March 31, 2024) with prepayment of some long-term debt as well as lower working capital limit utilisation towards the year-end on the back of better debtor recovery. Accordingly, the company has continued to maintain healthy debt protection metrics with an interest coverage of 12.4 times and DSCR of 4.4 times for FY2025. Despite some likely increase in debt levels in FY2026, elevated funding requirements amid continued strong revenue growth, UTL's capital structure and credit metrics are likely to remain comfortable, supported by steady cash flow generation.

Credit challenges

Moderate profit margins, given the limited value addition in its operations and high competition in the industry – UTL's profit margins have remained moderate in the range of 7-8% due to competitive pressure and the limited value-added nature of its operations, which constrains pricing power and margins. As most of its orders are fixed-price in nature, it is unable to pass on the price rises to its end-customers. UTL's ability to maintain a healthy order inflow and their timely execution would remain key for sustaining the margins, going forward.

Geographic concentration of the pending order book – UTL's order book has remained concentrated in Bihar over the years. This concentration had increased to around 85% as of September 2025 with sizeable inflow of fresh orders in the state in H1 FY2026. Any adverse regulatory/policy level changes at the state level can impact order execution for UTL. However, its established track record of executing orders in Bihar over the years mitigates the risk to some extent.

High working capital intensity – Usually, UTL's working capital intensity remains high owing to high debtor levels with a predominant share of receivables from Government entities, resulting in increased working capital requirement.

Liquidity position: Adequate

UTL's liquidity profile is adequate, supported by healthy cash flow generation, free cash and bank balances of around Rs. 264 crore along with buffer of around Rs. 7 crore in its working capital limits as of October 31, 2025. Also, UTL plans to avail

enhancement in limits, going forward. The company has minimal debt repayment obligations of Rs. 0.6 crore in FY2026 and FY2027, and no major capex plans.

Rating sensitivities

Positive factors – ICRA could upgrade UTL’s ratings if there is a significant growth in its scale and earnings, and higher geographic diversification of the order book, without any material stretching of the working capital cycle while maintaining adequate liquidity on a sustained basis.

Negative factors – Pressure on UTL’s rating could arise if there is a considerable decline in revenues and profitability on a consistent basis. Deterioration in the working capital cycle, impacting the company’s liquidity position, could also trigger a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company’s standalone financial statements.

About the company

UTL is an enterprise IT solutions provider, headquartered in New Delhi. The company was set up in 1995 and has expertise in digital transformation services for business/ Government entities. The company has a wide portfolio of solutions, including solutions for EdTech, Enterprise Resource Planning (ERP) implementation, business analytics, Customer Relationship Management (CRM) solutions and cloud services.

Key financial indicators (audited)

UTL - Standalone	FY2024	FY2025
Operating income	525.7	1204.7
PAT	27.5	75.3
OPBDITA/OI	7.1%	9.3%
PAT/OI	5.2%	6.3%
Total outside liabilities/Tangible net worth (times)	2.0	1.5
Total debt/OPBDITA (times)	3.0	0.3
Interest coverage (times)	10.5	12.4

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: 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

Current rating (FY2026)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount Rated (Rs. crore)	Dec 12, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based limits – Cash credit	Long-term	40.00	[ICRA]A-(Stable)	Nov 29, 2024	[ICRA]BBB+(Stable)	Mar 20, 2024	[ICRA]BBB (Positive)	Jan 23, 2023	[ICRA]BBB (Stable)
Fund-based limits – Term loan	Long-term	3.00	[ICRA]A-(Stable)	Nov 29, 2024	[ICRA]BBB+(Stable)	Mar 20, 2024	[ICRA]BBB (Positive)	Jan 23, 2023	[ICRA]BBB (Stable)
Non-fund based limits	Short-term	60.00	[ICRA]A2+	Nov 29, 2024	[ICRA]A2	Mar 20, 2024	[ICRA]A3+	Jan 23, 2023	[ICRA]A3+
Unallocated limits	Long-term/ Short-term	0.20	[ICRA]A-(Stable)/ [ICRA]A2+	Nov 29, 2024	[ICRA]BBB+(Stable)/ [ICRA]A2	Mar 20, 2024	[ICRA]BBB (Positive)/ [ICRA]A3+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term - Cash Credit	Simple
Long-term - Term Loans	Simple
Short-term - Non-fund Based	Very 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	40.00	[ICRA]A-(Stable)
NA	Term Loans	FY2021	8.50-9.50%	FY2026	3.00	[ICRA]A- (Stable)
NA	Non-fund Based	NA	NA	NA	60.00	[ICRA]A2+
NA	Unallocated	NA	NA	NA	0.20	[ICRA]A-(Stable)/ [ICRA]A2+

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not applicable

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