

February 20, 2026

Sasken Technologies Limited: Rating assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Short-term – Unallocated limits	50.00	[ICRA]A1; assigned
Total	50.00	

*Instrument details are provided in Annexure I

Rationale

The rating assigned to Sasken Technologies Limited (Sasken) factors in the extensive experience of the promoter group and the company's established track record in the product engineering and digital transformation services space. The rating also takes cognisance of Sasken's long relationships with a reputed and geographically diversified customer base, along with its presence across multiple end-user industries, which lends diversity to its revenue profile and stability to its business operations.

Over the last couple of years, Sasken has undertaken inorganic initiatives to strengthen its positioning in select niche engineering domains. In March 2024, the company acquired a 60% equity stake in Anups Silicon Services Private Limited (now Sasken Silicon Technologies Private Limited) for Rs. 33.20 crore, through a combination of equity investment and subscription to compulsorily convertible debentures. Further, in April 2025, Sasken completed the acquisition of 100% stake in BORQS International Holding Corp. and its identified wholly-owned subsidiaries in India, China and Hong Kong, for a total consideration of up to US\$40 million, including earn-out components. These acquisitions have broadened Sasken's service offerings by adding capabilities in generative AI accelerators, product security frameworks, custom silicon and foundry services, ODM and smart devices.

The company's scale of operations, while moderate, has reported some improvement over recent periods, and is expected to strengthen further over the medium term, supported by the inorganic investments undertaken in recent years. The profit margins have moderated in recent years, primarily on account of investments made towards capacity and capability augmentation to support future growth. While an improvement in margins is expected over the medium term as the revenues from these investments materialise, it is likely to remain at moderate levels, given the change in segment mix, while service segment margins normalise. The rating also factors in the inherent business risks associated with the IT services sector and the vulnerability of earnings to factors such as wage inflation, employee attrition and adverse movements in foreign exchange rates. Nevertheless, Sasken continues to maintain a strong financial risk profile and liquidity position, supported by healthy cash and liquid investments and a debt-free capital structure.

Key rating drivers and their description

Credit strengths

Established presence in the product engineering and digital services business - With over three decades of operating experience and multiple patents to its credit, Sasken has an established presence in the product engineering and digital transformation space. The company provides end-to-end R&D services spanning concept-to-market and chip-to-cognition offerings to global customers across diverse end-user industries, including semiconductors, automotive, industrials, consumer electronics, enterprise devices, satellite communications, telecom and transportation.

Long relationships with reputed customer base lend revenue visibility - Sasken enjoys long relationships with a reputed customer base comprising clients with strong market standing, which lends revenue visibility and stability to its business operations. Over the past two years, Sasken has been implementing a structured customer retention and growth framework, referred to as the 60×40×3 strategy, aimed at deepening engagement with its key customer base. Under this strategy, the company is focused on scaling revenues across select key customer accounts over a multi-year period, with an objective of enhancing revenue diversification and improving the stability and recurrence of revenues from existing customers. Successful execution of this strategy is expected to support a meaningful scale-up in revenues from the existing customer base over the medium term, thereby strengthening revenue visibility.

Diversified revenues across geographies and industry segments - Sasken derives revenues from a geographically diversified customer base, with North America, EMEA, India and the rest of the world contributing 30%, 31%, 26% and 13%, respectively, to its revenues in H1 FY2026. The geographical diversification of revenues provides some insulation against region and country-specific risks.

Healthy financial profile characterised by debt-free status and strong cash reserves - The company's financial risk profile is strong, supported by a debt-free capital structure and a healthy net worth of Rs. 801.1 crore as of September 2025. Further, the liquidity position remains strong, backed by cash and investments of Rs. 375 crore as of September 2025. While the company continues to make steady dividend payouts, the expected improvement in earnings are expected to support credit metrics going forward as well.

Credit challenges

Moderate scale of operations - The domestic IT services industry is characterised by the presence of large players that benefit from significant scale and, consequently, higher bargaining power. With an operating income of Rs. 550.9 crore in FY2025 and Rs. 529.0 crore in H1 FY2026, Sasken's scale of operations has started improving; however, it is still at a developing stage, which limits the extent of scale benefits and pricing flexibility at present. ICRA will continue to monitor trends in client additions and exits, employee attrition levels and their impact on the company's revenue growth and earnings profile.

Vulnerability of earnings to demand in end-user industries and foreign exchange fluctuations - With majority of revenues being export-oriented, Sasken remains exposed to foreign exchange risk. However, the company mitigates this exposure through the use of forward contracts to hedge its dollar and euro exposures, thereby reducing volatility in earnings. Nevertheless, like other players in the IT services industry, Sasken continues to be exposed to industry-specific risks such as wage inflation and employee attrition, which could impact its cost structure and profitability.

Moderate margins in recent years - The company's profit margins softened in recent years, largely driven by higher employee expenses incurred for capability enhancement. The margins have also been impacted by the acquisition of BORQS Technologies, where the margins are relatively lower due to the nature of business, while the envisaged operational synergies are yet to fully materialise. While a gradual improvement in margins is expected over the medium term as revenues from investments made in capacity and capability strengthening materialise, reflecting ongoing investment in long-term initiatives, overall margins are likely to remain below historical levels due to a change in segment mix. However, margins in the service segment are expected to gradually normalise.

Environmental and social risks

Environmental considerations - Given the service-oriented business, Sasken's direct exposure to environmental risks as well as those emanating from regulations or policy changes is not material.

Social considerations - Like other Indian IT service companies, Sasken faces the risk of data breaches and cyberattacks that could affect the large volumes of customer data that it manages. Any material lapses on this front could result in substantive liabilities, fines, or penalties and reputational impact. Also, Sasken remains exposed to the risk of changes in immigration laws

in the key developed markets where it provides its services. While such changes would be motivated by those economies' own social and political considerations, they could alter the delivery models or have an impact on access to such markets.

Liquidity position: Strong

Sasken's liquidity position is likely to remain strong, given healthy cash and investments of Rs. 375 crore as on September 30, 2025. With nil repayment obligations, and minimal capex requirements, the liquidity remains strong.

Rating sensitivities

Positive factors – The rating can be upgraded if the company is able to demonstrate a sustained margin improvement and ability to integrate acquired entities, leading to revenue and earnings growth on a consolidated basis, while maintaining a strong liquidity and credit profile.

Negative factors – Pressure on Sasken's rating could arise in case of a material sustained weakening in its liquidity profile, due to large organic/inorganic investments, or in case of material weakening in its earnings or working capital management.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology IT - Software & Services
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of Sasken. Refer to the Annexure II for the list of entities considered for consolidation.

About the company

Sasken Technologies Limited (Sasken), incorporated in 1989, is a Bengaluru-headquartered company, publicly listed on the BSE and the NSE. It is a technology company engaged in providing product engineering and digital transformation services to global customers across the semiconductor, automotive, industrial, enterprise devices, telecom, and satellite communication sectors. The company offers concept-to-market and chip-to-cognition engineering services encompassing hardware design, embedded software, connectivity platforms, modem and application software development, device and platform testing, cybersecurity, cloud and edge engineering. Over the years, Sasken has served several Fortune-500 clients and has strengthened its positioning as a deep-tech engineering partner with strong expertise in embedded systems, connectivity, and domain-specific digital solutions.

As of December 2025, Sasken employed 2,343 full-time professionals across its global operations. The company operates from a diversified delivery footprint spanning India, Finland, Germany, Japan, the United States, China, Hong Kong and Singapore with major centres located in Bengaluru, Chennai, Pune, Kolkata, Ahmedabad, Hyderabad, Kaustinen, Tampere, Tokyo, Yokohama, Nagoya, Sunnyvale, Dover, Beijing, Kwun Tung, Singapore and Essen.

Key financial indicators (audited)

Sasken (consolidated)	FY2024	FY2025	H1 FY2026*
Operating income	406.4	550.9	529.0
PAT	78.7	50.5	20.5
OPBDIT/OI	7.5%	4.2%	5.6%
PAT/OI	19.4%	9.2%	3.9%
Total outside liabilities/Tangible net worth (times)	0.2	0.2	0.4
Total debt/OPBDIT (times)^	0.3	1.1	0.4
Interest coverage (times)	93.1	8.3	14.2

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 ^Considers lease liabilities as part of debt

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)					Chronology of rating history for the past 3 years							
					FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating		
Unallocated limits	Short-term	50.00	Feb 20, 2026	[ICRA]A1	May 16, 2024	[ICRA]A1+; withdrawn	-	-	Mar 16, 2023	[ICRA]A1+		
Non-fund based	Short-term	-	-	-	May 16, 2024	[ICRA]A1+; withdrawn	-	-	Mar 16, 2023	[ICRA]A1+		

Complexity level of the rated instruments

Instrument	Complexity indicator
Short-Term – Unallocated Limits	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	Short-term – Unallocated Limits	NA	NA	NA	50.00	[ICRA]A1

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	Sasken ownership	Consolidation approach
Sasken Communication Technologies Mexico, S.A.de C.V ('Sasken Mexico')	100.00%	Full consolidation
Sasken Finland Oy. ('Sasken Finland')	100.00%	Full consolidation
Sasken Inc. ('Sasken Inc.')	100.00%	Full consolidation
Sasken Silicon Technologies Private Limited (SSTPL)	60.00%	Full consolidation
Sasken Silicon Inc. (Subsidiary of SSTPL)	60.00%	Full consolidation
Sasken Technologies Japan Co. Ltd.	100.00%	Full consolidation
Sasken Design Solutions Pte. Ltd. (Sasken Design)	100.00%	Full consolidation
Borqs International Holding Corp (Subsidiary of Sasken Design)	100.00%	Full consolidation
New Borqs Technologies (Beijing) Company, Ltd. (Subsidiary of Borqs International)	100.00%	Full consolidation
Borqs Technologies (HK) Limited (Subsidiary of Borqs International)	100.00%	Full consolidation
Borqs Technologies India Pvt. Ltd. (Subsidiary of Borqs International)	100.00%	Full consolidation
Sasken Foundation	-	Full consolidation
Sasken Employees Welfare Trust	-	Full consolidation

Source: Sasken annual report FY2025

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