

May 07, 2026

Paradigm IT Technology Services Private Limited: 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	7.00	7.00	[ICRA]BBB (Stable); reaffirmed
Long-term/ Short-term – Fund-based – Others	-	10.00	[ICRA]BBB (Stable)/ [ICRA]A3+; reaffirmed
Short-term – Non-fund based limits – Bank Guarantee	59.40	44.06	[ICRA]A3+; to be reaffirmed
Long-term Fund-based Term Loan	60.50	44.47	[ICRA]BBB (Stable); reaffirmed
Long-term/ Short-term – Unallocated	3.10	24.47	[ICRA]BBB (Stable)/ [ICRA]A3+; reaffirmed
Total	130.00	130.00	

*Instrument details are provided in Annexure II

Rationale

The ratings factor in Paradigm IT Technology Services Private Limited's (Paradigm) long track record in the staffing solutions and IT services segments, supported by the promoters' significant industry experience. The ratings also consider the diversified revenue profile, including staffing business, software development, cyber security projects, skill development, and solar projects. While corporate staffing contributes around 76–78% of the company's revenues, profit contribution from other segments is higher given the low-margin nature of the corporate staffing segment. Paradigm has an established customer base in the corporate staffing segment, including Avenue Supermarts Limited, Vodafone Idea Limited, Magicbricks Realty Services Limited and Ola Electric Mobility Private Limited, among others, which supported healthy revenue growth in the staffing vertical during FY2025 and 9M FY2026.

Paradigm entered the renewable energy (RE) segment through its two 51%-subsidiary, solar special purpose vehicles (SPVs)—Lumina Clean Energy Private Limited and Pure Light Energy Private Limited—to develop grid-connected solar power projects with an aggregate capacity of 92 MW at a cost of around Rs. 405.0 crore. The projects are proposed to be funded through approximately 75% term debt, with the balance through equity and optionally convertible debentures (OCDs). As of April 15, 2026, around 95% of the project execution had been completed. The SPVs have signed long-term (25 years) power purchase agreements (PPAs) with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for the entire capacity of 92 MW at a fixed tariff of Rs. 3.07 per unit, providing high revenue visibility and low offtake risks for the solar power projects. The tariff offered by the projects remains competitive in relation to the average power purchase cost of MSEDCL. Cumulative DSCR for the solar projects is expected to be comfortable at 1.2–1.3 times.

The company's revenues grew at a healthy CAGR of around 35% during FY2021–FY2025, driven by robust order inflows across segments. ICRA expects Paradigm to continue reporting healthy revenue growth (excluding revenue from solar projects) over the medium term, supported by revenues from the Maharashtra cyber security project, while maintaining operating margins in the range of 9–11%.

The ratings are constrained by Paradigm's modest scale of operations across its revenue segments, especially in the highly competitive staffing solutions and IT services businesses, which limits pricing flexibility. Further, both segments are characterised by high employee attrition. Customer concentration risk remains high, with the entire revenues of the IT services segment driven by a single client. In the staffing solutions segment, the top five clients accounted for about 45% of revenues in 9M FY2026, indicating moderate concentration. However, ICRA notes that order inflow from AI-based services is expected to diversify its customer base in the IT services segment. The company's revenues also remain exposed to demand cyclicality

across end-user industries and the performance of its customers. Additionally, the ratings are constrained by the working capital intensive nature of operations, driven by longer receivable tenors, particularly in relation to cyber security and skill development, along with AI-based IT service projects where the counterparties are state government entities.

ICRA also notes that Paradigm's 90%-subsidiary, AMI Paradigm Solutions Private Limited (erstwhile E-Gram IT Solutions Private Limited), has signed a binding agreement to acquire Larsen & Toubro's system integration and smart communications network business for Rs. 452.0 crore, through a slump sale. The transaction will be funded through investments of around Rs. 650.0 crore by promoters of the Greenko Group, which will become the majority shareholder with an ownership of about 60% post-transaction, while Paradigm's stake is expected to dilute to around 30%. The transaction is structured as a no-cash deal for Paradigm, and it will continue as the operating partner for the joint venture (JV). All requisite regulatory approvals have been applied for, and the transaction is to be completed by August 2026.

The Stable outlook reflects ICRA's expectation that Paradigm will continue to report healthy growth in revenues and earnings, supported by steady order inflows from its established customer base, thereby sustaining its financial profile.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in the industry – Paradigm is promoted by Mr. G Sridhar, who has extensive experience of over two decades in the IT services and staffing business. This has supported the company in developing established relationships with its client base.

Diversified revenue streams - - The company has diversified revenue streams, including the staffing business, software development, cyber security projects, skill development, and solar projects. The staffing business is expected to record double digit growth in FY2027, driven by steady demand for manpower services and expected increase in employee base. The company enjoys an enduring relationship with its software client, resulting in stable revenues from the segment. Moreover, it is focussing of offering AI-based solutions to Government clients, which is expected to scale-up revenues from the software segment. Paradigm also secured a Rs. 179.9-crore cyber security project from the State Government of Maharashtra in FY2025, which is likely to be executed over FY2025-FY2030. It is also setting up solar power plants in Maharashtra with an aggregate capacity of 92 MW. ICRA notes that while the company's revenue profile is diversified, each segment's scale is modest.

Healthy revenue visibility in the solar segment given the long-term PPA with MSEDCCL at competitive tariff rate for the entire capacity – Paradigm's subsidiaries, Lumina Clean Energy Private Limited and Pure Light Energy Private Limited, have signed long-term (25 years) PPAs with MSEDCCL for the entire capacity of 92 MW at a fixed tariff of Rs. 3.07 per unit, providing high revenue visibility and low offtake risks for the solar power projects. The tariff offered by the projects remains competitive in relation to the average power purchase cost of MSEDCCL.

Healthy financial profile – The company's revenue grew at a CAGR of around 35% from FY2021 to FY2025, on the back of strong demand in corporate staffing and IT services segments, which led to improved earnings. The company's debt metrics have been comfortable as indicated by total debt/OPBITDA of 1.1 times, interest coverage of 9.5 times and DSCR of 3.6 times in FY2025. The company's long-term debt is estimated to have risen given the term loan drawn for solar projects term loan of Rs. 40.0 crore (around Rs. 25.0 crore was drawn down during FY2026) for the Maharashtra Cyber Security project, which is likely to lead to an increase in interest costs over the previous years. However, coverage indicators are expected to be comfortable for solar projects. The company's capital structure and debt metrics (excluding solar related debt) are likely to improve, supported by scheduled repayments of term loans and a gradual reduction in overall debt levels.

Credit challenges

Moderate scale of services in the competitive industry – The company’s scale of operations is moderate, despite its presence in multiple segments, given the modest scale of each segment. It derived revenue of around Rs. 260.2 crore from its biggest segment, staffing solutions, in FY2025, which accounted for around 77% of the company’s revenues in 9M FY2026. Other segments such as software solutions, skill development, e-Governance, etc., are significantly smaller. Moderate scale and intense competition constrain the company’s price flexibility and, therefore, limits its margins.

High customer concentration, especially in IT services segment – The company’s top 5 customers in the staffing business contributed around 45% of its staffing revenues in 9M FY2026. Paradigm has only one client in the IT services segment, although it has a long-standing relationship of over two decades with the client. Any moderation in demand from the customer would impact the company’s revenues materially given the high concentration. While the expected orders for AI-based solutions may diversify the company’s customer base in the software solutions segment, material scale-up of the same remains to be seen.

Revenues remain susceptible to performance of end-user industries – The staffing business’s prospects are highly dependent on the performance of the client as the manpower requirement is directly proportional to the growth prospects of the end-user industry. In case of a slowdown in the end-user industry, the decision by the clients to reduce their outsourced employees may impact the company’s revenues.

Execution risks for solar projects; inherent risks in solar business wherein debt metrics are sensitive to PLF and interest rate movements – The company remains exposed to execution risks, given the under-construction status of the two solar power projects, with the scheduled commercial operation date (SCOD) for the 42-MW and 50-MW projects scheduled for April 2026 and May 2026, respectively. Timely completion of the projects remains a key monitorable. Further, revenues and cash flows are sensitive to weather conditions and seasonality due to the single-part fixed tariff structure under the PPA, as any adverse variation could impact power generation and cash flows. The company also faces asset concentration risk, as both projects are in Maharashtra; hence, the sustained achievement of the design P-90 PLF after commissioning remains critical from a credit perspective. Additionally, the floating rate term debt, coupled with a fixed-tariff PPA and leveraged capital structure, exposes the solar SPVs’ debt coverage metrics to movements in interest rates.

High working capital intensity owing to elongated receivable cycle – The company’s working capital intensity is high owing to elongated receivables days. A significant share of its revenue from staffing solutions operates on a collect-and-pay model, wherein it collects payments from its customers before paying the deployed manpower, which results in a shorter receivables cycle. However, receivables cycles are stretched in the rest of the business segments, as reflected in debtor days of 111 in FY2025. Paradigm’s working capital intensity is expected to increase materially in the near term, given the longer receivables cycle of the cyber security project. Moreover, timely receipt of payment for the solar projects remains to be seen.

Liquidity position: Adequate

Paradigm’s liquidity position is adequate, supported by free cash balances of around Rs. 2.8 crore and unutilised working capital limits of around Rs. 5.1 crore as on March 31, 2026. The company is expected to generate retained cash flows of around Rs. 30–35.0 crore (excluding cash flows from the solar business) over the next 12 months. Apart from funding for solar projects, its cumulative funding requirements towards capex and debt repayments in FY2027 are estimated at around Rs. 26–28.0 crore, which can be adequately funded by available liquidity, providing comfort to its liquidity profile. It is setting up solar power plants at multiple locations across Maharashtra with an aggregate capacity of 92 MW, at an estimated cost of around Rs. 405.0 crore to be funded through 75% debt and 25% promoters’ contribution. The debt has been tied up for the project and most of the promoters’ contribution has been infused as on March 2026. Around 95% of the project cost has been incurred as on April 15, 2026. For the solar projects, after commissioning of the full capacity of 92 MW, liquidity is expected to be supported by the two-quarter debt service reserve account (DSRA). Moreover, the company is expected to generate adequate cash flows from operations against a debt repayment obligation, backed by the long-term PPA and a strong counterparty.

Rating sensitivities

Positive factors – Ratings could be upgraded if sustained improvement in the company’s scale of operations and earnings, supported by healthy order inflow, leads to improvement in its liquidity position and debt metrics. Further, continued timely receipt of payments from MSEDCL and a strengthening of the credit profile of the solar SPVs would remain positive factors for a rating upgrade.

Negative factors – Pressure on the ratings may arise if any material decline in the revenues or profitability affects its debt metrics. The rating could also be downgraded in case of sustained underperformance in generation of solar plants below P90 estimates, or delays in payments from MSEDCL, resulting in weaker debt coverage or liquidity, on a sustained basis. Moreover, stretched working capital cycle of other business segments or sizeable investments, impacting its liquidity position could also trigger a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology IT-Software & Services Power - Solar and Wind
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of entities enlisted in Annexure-III.

About the company

Paradigm IT Technology Services Private Ltd. is promoted by Mr. G Sridhar. In 2000, he started the business from USA and later in 2002, incorporated a company called Gadhi Paradigm in India. The entity was later converted to E Centric Solutions Pvt. Ltd. and subsequently renamed as Paradigm IT Technology Services Pvt. Ltd. The company specialises in providing end-to-end staffing solutions, predominantly in non-IT sectors. It also has a software vertical that offers IT solutions for clients involved in clinical trial analysis (i.e., clinical data management (CDM), Stats, molecular weight). It has also started offering agentic, AI-based solutions to Government clients from FY2026. In addition, it executes e-Governance, skill development and cyber security projects for the Central and state governments. Although it was previously involved in Smart City projects, these have now been demerged to a different promoter-owned entity. The company has set-up two SPVs, in which it holds 51% stake, for constructing solar power plants in Maharashtra with an aggregate capacity of 92 MW under the Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan (PM-KUSUM) scheme. As on March 31, 2026, 76 MW was operational, while the entire capacity is expected to be operational by the end of May 2026.

Key financial indicators (audited)

Paradigm IT (Consolidated)	FY2024	FY2025
Operating income	319.4	417.8
PAT	11.2	27.5
OPBDIT/OI	9.0%	10.7%
PAT/OI	3.5%	6.6%
Total outside liabilities/Tangible net worth (times)	0.8	1.0
Total debt/OPBDIT (times)	1.2	1.1
Interest coverage (times)	5.8	9.5

Source: Company, ICRA Research; 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

Current (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	May 07, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund Based-Cash Credit	Long Term	7.00	[ICRA]BBB (Stable)	-	-	Mar 14, 2025	[ICRA]BBB (Stable)	-	-
Fund based - Others	Long Term / Short term	10.00	[ICRA]BBB (Stable)/ [ICRA]A3+	-	-	-	-	-	-
Non-Fund Based limits- Bank Guarantee	Short Term	44.06	[ICRA]A3+	-	-	Mar 14, 2025	[ICRA]A3+	-	-
Fund Based Term Loan	Long Term	44.47	[ICRA]BBB (Stable)	-	-	Mar 14, 2025	[ICRA]BBB (Stable)	-	-
Unallocated	Long Term/ Short Term	24.47	[ICRA]BBB (Stable)/ [ICRA]A3+	-	-	Mar 14, 2025	[ICRA]BBB (Stable)/ [ICRA]A3+	-	-

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 the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	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 the regulatory purview of various (FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	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 FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term-Fund Based-Cash Credit	Simple
Long Term / Short term – Fund based - Others	Simple
Short Term-Non Fund Based limits-Bank Guarantee	Simple
Long Term Fund Based Term Loan	Simple
Long Term/Short Term-Unallocated	NA

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	Fund Based-Cash Credit	NA	NA	NA	7.00	[ICRA]BBB (Stable)
NA	Fund based - Others	NA	NA	NA	10.00	[ICRA]BBB (Stable)/ [ICRA]A3+
NA	Non Fund Based limits-Bank Guarantee	NA	NA	NA	44.06	[ICRA]A3+
NA	Fund Based Term Loan	Aug-2024	NA	Mar-2030	44.47	[ICRA]BBB (Stable)
NA	Unallocated	NA	NA	NA	24.47	[ICRA]BBB (Stable)/ [ICRA]A3+

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company name	Paradigm IT ownership	Consolidation approach
Manasa Hotels Private Ltd	82.9%	Full consolidation
E Gram IT Services Private Ltd	90.0%	Full consolidation
Lumina Clean Energy Private Limited	51.0%	Full consolidation
Pure Light Energy Private Limited	51.0%	Full consolidation

Source: Company; * However, E-Gram IT Solutions Pvt Ltd will be consolidated through the equity method, going forward, as the company plans to dilute its stake to around 30% in FY2027.

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