



Press Release
TECHNOCOM
November 20, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	27.00	ACUITE BBB- Stable Upgraded	-
Bank Loan Ratings	43.00	-	ACUITE A3 Upgraded
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating to '**ACUITE BBB-**' (read as **ACUITE triple B minus**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and the short-term rating to '**ACUITE A3**' (read as **ACUITE A three**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.70.00 Cr. bank facilities of Technocom (TC). The outlook is '**Stable**'.

Rationale for rating

The rating upgrade takes into account improved scale of operations in FY25 & YTD FY26 owing to increase in order executions. Further, the growth is also backed by moderate order book of Rs.246 Cr as of September 2025 (1.64 times of FY25 revenue), timely execution and growth in which remains a key rating monitorable. Additionally, the rating derives its strengths from moderate financial risk profile on account of low debt profile and moderate debt protection metrics. Further, the rating considers established track record of the management in the industry with reputed clientele; however, remains constrained by the intensive working capital operations due to high unbilled revenue. Moreover, the firm is subject to intensive competition & tender based nature of business which keeps the operating margins low. Also, being a partnership nature, the net worth is susceptible to any major capital withdrawals.

About the Company

Incorporated in 1986 by Mr. Dwarka Prasad Didwania, Technocom (TC) operates as a partnership firm based out of Guwahati. The firm is a Class I contractor for the Indian Railways, specializing in comprehensive signalling and telecom services. It engages in tender-based contracts involving the design, testing, installation, and maintenance of signalling systems for the Indian Railways. The firm is managed by partners, Mr. Mayank Didwania, Mrs. Puspa Didwania, and Mr. Dwarka Prasad Didwania.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of TC while arriving at the rating.

Key Rating Drivers

Strengths

Long track record of operation and experienced management

With over 3 decades of experience in the railway infrastructure sector, Technocom (TC) has established a strong foothold across India. Also, partner, Mr. Dwarka Prasad Didwania brings the expertise in railway signalling and infrastructure industry which has enabled the firm in building a lasting presence in the industry, fostering a strong relationship with Indian Railways. Further, to enhance its project capacity, Technocom forms joint venture, leveraging the bid capacities of its partner for larger projects. Furthermore, for diversification, in FY23 the firm expanded into household contracts segment, providing piped water supply under the Jal Jeevan Mission in Assam.

Improving scale of operations

The total operating income decreased from Rs.103.15 Cr. in FY23 to Rs.77.83 Cr. in FY24 due to country elections that led to lower tenders floats along with some delays in orders execution. However, the operating income improved to Rs.150.14 Cr. during FY25(Prov.) as compared to FY24. This growth is attributable to better order execution of the previous orders and further receipt of new orders during the year. Further, the outstanding order book stood moderate at Rs.246.11 Cr. as on September, 2025 (1.64 times of FY25(Prov.) revenue), timely execution and growth in which remains a key rating monitorable. The firm also has L1 orders worth ~Rs.235 Cr. as of September 2025. Further, the firm recorded operating income of Rs.86.26 Cr till 13th November, 2025.

Moderate financial risk profile

The financial risk profile of the firm is moderate marked by moderate net worth, low gearing and moderate debt protection metrics. The tangible net worth stood improved at Rs.85.41 Cr. as on 31st March 2025(Prov.) as against Rs.77.72 Cr. as on 31st March, 2024 on account of profit accretion. The debt profile majorly includes working capital borrowing, therefore, the gearing (debt-equity) has remained below unity over the years and stood at 0.24 times as on 31st March, 2025(Prov.) Moreover, the debt protection metrics also stood moderate with interest coverage ratio and debt service coverage ratio of 2.74 times and 2.13 times during FY25(Prov.) respectively.

Weaknesses

Intensive working capital management

The working capital operations of the firm though improved but remain intensive, marked by its gross current assets (GCA) of 273 days for FY25(Prov.) (426 days for FY24). This majorly includes inventory days which remained high at 141 days in FY25(Prov.) (199 days in FY24) owing to high unbilled revenue for the supply made to railways. Therefore, the firm's reliance on working capital limits is moderately intensive as reflected from average bank limit utilization which stood at ~84% for fund-based facilities and ~89% for non-fund based facilities for the last 6 months ended September, 2025. However, the debtor days stood improved at 28 days in FY25 (Prov.) (40 days in FY24) and the creditors cycle stood at 56 days in FY25(Prov.) (52 days in FY24). Moreover, the working capital is expected to remain intensive over the medium term considering the nature of business.

Tender based nature of operations & competitive industry leading to thin margins

The railway infrastructure sector has presence of several mid to large sized players. The risk becomes more pronounced as tendering is based on minimum amount of bidding on contracts and there exists susceptibility to inherent cyclicity in the infrastructure segment. Therefore, TC's revenues and margins are susceptible to the competitive bidding scenario, hence, the operating margin of the firm remained low at 3.71% during FY25(Prov.). The EBITDA margin is further susceptible to the raw material procurement made during the year depending upon the stage of ongoing work order, which might lead to increase/decrease in the input costs.

Inherent risk of withdrawal of partner's capital

The firm is susceptible to the inherent risk of capital withdrawal given its constitution. Any significant withdrawal of the partner's capital will have a negative bearing on the financial risk profile of the firm.

Rating Sensitivities

- Any further elongation in working capital management or increase in debt levels leading to deterioration in financials risk profile and liquidity.
- Lower-than-expected revenue booking or profitability leading to lower net cash accruals.
- Significant withdrawals by partners affecting the net worth of the firm.

Liquidity Position

Adequate

The liquidity position of the firm is adequate as reflected from sufficient net cash accruals (NCA) of Rs.4.07 Cr. during FY25(Prov.) as against maturing debt obligations of Rs.0.67 Cr. Going forward, firm is expected to generate cash accruals in the range of Rs.3.80-4.50 Cr. over the medium term, while repayment obligations are expected to be in the range of Rs.0.45-0.70 Cr. for the same period. The current ratio stood healthy at 3.26 times during FY25(Prov.). Further, the firm's reliance on working capital limits is moderately intensive as reflected from average bank limit utilization which stood at ~84% for fund-based facilities and ~89% for non-fund based facilities for the last 6 months ended September, 2025. Therefore, the firm is planning to enhance its short-term borrowings by ~Rs.5-7 Cr. to meet the working capital requirements.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	150.14	77.83
PAT	Rs. Cr.	3.98	1.83
PAT Margin	(%)	2.65	2.35
Total Debt/Tangible Net Worth	Times	0.24	0.17
PBDIT/Interest	Times	2.74	2.50

Status of non-cooperation with previous CRA (if applicable)

Not Applicable.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
31 Oct 2025	Bank Guarantee (BLR)	Short Term	43.00	ACUITE A4+ (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.89	ACUITE BB+ Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BB+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.11	ACUITE BB+ Stable (Reaffirmed)
08 Aug 2024	Bank Guarantee (BLR)	Short Term	28.00	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A4+ (Assigned)
	Proposed Long Term Bank Facility	Long Term	20.00	ACUITE BB+ Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BB+ Stable (Assigned)
	Covid Emergency Line.	Long Term	2.00	ACUITE BB+ Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Reaffirmed)
20 Oct 2023	Bank Guarantee (BLR)	Short Term	28.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Reaffirmed)
25 Jul 2022	Bank Guarantee (BLR)	Short Term	28.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	43.00	Simple	ACUITE A3 Upgraded (from ACUITE A4+)
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Union Bank of India	Not avl. / Not appl.	Covid Emergency Line.	20 Jul 2020	Not avl. / Not appl.	20 Jul 2026	1.11	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.89	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)

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