



Press Release
COGENT E-SERVICES LIMITED
July 28, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	53.50	ACUITE BBB+ Reaffirmed & Withdrawn	-
Bank Loan Ratings	31.77	Not Applicable Withdrawn	-
Bank Loan Ratings	9.73	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	95.00	-	-

Rating Rationale

Acuité has reaffirmed and withdrawn its long-term rating of 'ACUITE BBB+' (read as ACUITE triple B plus) on the Rs.53.5 Cr. bank facilities for Cogent E-Services Limited (CESL). The rating has been withdrawn on account of the request received from the company and no objection certificate received from the banker.

Further, Acuite has withdrawn its long-term rating on Rs.31.77 Cr. bank facilities and short-term rating on Rs.5.00 Cr. bank facilities of Cogent E-Services Limited without assigning any rating as the instrument is fully paid off. The rating has been withdrawn on account of the request received from the company, and no dues certificate received from the banker.

Acuité has also withdrawn its rating on the Rs. 4.73 Cr. short-term bank facilities of Cogent E-Services Limited without assigning any rating as it is a proposed facility. The rating has been withdrawn on account of the request received from the company.

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility.

Rationale for rating

The rating reaffirmation factors in the established track record of the company along with stable scale of operations over the years. The rating also factors in the reputed clientele base, strong financial risk profile and efficient working capital operations for the company. These strengths are however partly offset by significant dependence on few customer base, potential challenges in contract renewals with key clients, and industry-specific risks, particularly due to the company's elevated attrition rate.

About the Company

Incorporated in 2004, Cogent E-Services Limited (CESL) is a Noida based IT and BPO service provider. The company primarily caters to inbound and outbound call center outsourcing requirements for domestic operations of many reputed companies. It provides software services, data management services, email support, chat support etc. Currently the company operates in twelve Indian cities namely Noida, Bengaluru, Vadodara, Mangaluru, Meerut, Bareilly, Thane, Nashik, Hyderabad, Navi Mumbai, Gurugram and Anantapur. The present directors of the company are Mr. Pranjal Kumar, Mr. Abhinav Singh, Mr. Arunabh Singh, Mr. Gaurav Abrol, Ms. Juhi Sakhuja and Mr. Nishant Ambust.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of CESL to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations

CESL has an established track record of operations of almost two decades and is supported by an experienced management. The company has recorded a stable scale of operations over the years, with the revenue at Rs. 457.09 Cr. in FY25 (Est.) as against Rs. 465.96 Cr. in FY24. Further, the company has a reputed clientele of ~70 entities from various industries such as NBFCs & fintech, banking and insurance, telecommunication, e-commerce, direct to home television, etc.

Strong financial risk profile

The financial risk profile of the company remained strong marked by a healthy net worth, low gearing, and strong debt protection metrics. The net worth of the company improved to at Rs. 198.34 Cr. as on March 31, 2025 (Est.) as against Rs. 167.48 Cr. as on March 31, 2024. The gearing of the company remained below unity 0.10 times as on March 31, 2025 (Est.) (0.15 times as on March 31, 2024). The TOL/TNW stood at 0.60 times as on March 31, 2025 (Est.) as against 0.90 times as on March 31, 2024. The total outside liabilities are mainly financial lease liabilities of the company. The debt protection metrics also stood comfortable with debt service coverage ratio and Interest coverage ratio standing at 4.56 times and 7.27 times respectively as on FY2025 (Est.).

Working capital efficient operations

The working capital operations of the company has remained efficient marked by gross current assets (GCA) days of 94 days in FY25 (Est.) (79 days in FY24). This mainly includes debtor days which stood at 38 days in FY25 (Est.) as against 34 days in FY24. Further, it also includes current assets comprising of unbilled revenue. The company has average dependence on short term bank finance with an average utilization of 29% for last 6 months ended June 2025.

Weaknesses

Customer concentration and contract renewal risk

CESL faces customer concentration risk with its top four customers contributing nearly 55% of its total revenue. Further, the contracts for the services with its customers are for three years and future revenue for the company is highly dependent on renewal of these contracts. However, to mitigate this risk to some extent renewal clauses are mentioned in contract at the discretion of both parties.

Competitive industry with manpower attrition risk

The global IT services industry is dominated by several large players and small niche technology players. The industry is highly technology-oriented which keeps changing from time to time. Thus, the company has to keep upgrading the services it offers according to the needs of its clients and changes in the industry. Further, employees are the key resources for such organisations and attrition risk is a critical parameter for growth. However, the established relationship with clients and vendors, diversified geographical presence and experienced management mitigate the risk to some extent.

Rating Sensitivities

Not Applicable

Liquidity Position

Strong

CESL has strong liquidity position marked by healthy net cash accruals (NCA) to its maturing debt obligations. The company is estimated to have generated sufficient cash accruals of Rs.76.56 Cr. in FY2025 (Est.) against its repayment obligation of Rs.6.26 Cr. during the same period. Further, the current ratio stands is estimated to have remained healthy at 3.00 times as on March 31, 2025. Also, the dependence on short term finance is low with an average limit utilization of 29 percent for 6 months ended June 2025. The company had cash and bank balance of Rs.5.29 crore as on March 31, 2025 (Est.).

Outlook - Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	465.96	413.93
PAT	Rs. Cr.	33.55	27.66
PAT Margin	(%)	7.20	6.68
Total Debt/Tangible Net Worth	Times	0.15	0.16
PBDIT/Interest	Times	7.67	8.59

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>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
19 Jun 2024	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Proposed Short Term Bank Facility	Short Term	4.73	ACUITE A2 (Upgraded from ACUITE A3+)
	Cash Credit	Long Term	29.50	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	29.50	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	24.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	1.55	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	0.72	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
06 Jul 2023	Proposed Bank Guarantee	Short Term	5.00	ACUITE A3+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	2.33	ACUITE A3+ (Assigned)
	Term Loan	Long Term	1.61	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	3.06	ACUITE BBB Stable (Assigned)
	Proposed Cash Credit	Long Term	10.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	24.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	29.50	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	19.50	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	Not Applicable Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.50	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.50	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.73	Simple	Not Applicable Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	13 Jan 2023	Not avl. / Not appl.	27 Feb 2028	24.00	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
Bank of Baroda	Not avl. / Not appl.	Term Loan	14 Mar 2024	Not avl. / Not appl.	31 Oct 2024	0.72	Simple	Not Applicable Withdrawn
Bank of Baroda	Not avl. / Not appl.	Term Loan	14 Mar 2024	Not avl. / Not appl.	30 Nov 2024	1.55	Simple	Not Applicable Withdrawn

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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