



**Press Release**  
**GEOKNO INDIA PRIVATE LIMITED**  
**October 04, 2024**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB-   Stable   Assigned	-
Bank Loan Ratings	50.00	-	ACUITE A4   Assigned
Total Outstanding Quantum (Rs. Cr)	60.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of 'ACUITE BB-' (read as ACUITE double B minus) and short-term rating of 'ACUITE A4' (read as ACUITE A four) on the Rs. 60 Cr. of bank loan facilities of Geokno India Private limited (GIPL). The outlook is 'Stable'.

**Rationale for rating assigned**

The rating assigned considers the company track record of more than a decade in execution of LiDAR based surveying solutions, majority stake (82.12 percent) holding by GMR family fund and trust and support extended by the group, experience of the promoters in geospatial domain. Rating also considers the moderate outstanding order book and healthy net worth position. However, rating is constrained by average financial risk profile, stretched receivables, moderate scale of operations and working capital intensive nature of operations.

**About the Company**

Karnataka – Based, Geokno India Private Limited was incorporated in 2009. It is the brainchild of transformative thinkers from IIT Kanpur who embarked on a journey to leverage the power of LiDAR technology to provide smart, tangible and scalable solutions for clients across industries.

**Unsupported Rating**

Not applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Geokno India private limited to arrive at the rating.

## **Key Rating Drivers**

### **Strengths**

#### **Experienced management supported by GMR group**

Geokno India Private Limited (GIPL) was incorporated in 2009 by Mr. Bharat Lohani and Mr. Balaji Nagarajan. In 2012, the GMR Family Fund & Trust (GFFT) acquired a majority stake in GIPL, which now holds 82.12 percent of the company. The founders, Mr. Bharat Lohani and Mr. Balaji Nagarajan, currently serve as directors. Mr. Lohani is also a professor at IIT Kanpur. GIPL has substantial experience in providing surveying solutions using LiDAR (Light Detection and Ranging) technology and 3D modelling techniques across various sectors, including land surveying, road projects, rail projects, mine surveying, irrigation, storm water drainage, sewerage, barrage site

mapping, and 3D modelling for cities, buildings, and heritage monuments. Acuite believes that GIPL will continue to benefit from its experienced management supported by GMR group and its track record of more than decade in providing surveying solutions across various verticals.

#### **Moderate order book providing revenue visibility**

GIPL's outstanding order book as on July'2024 stood at Rs.30.44 Cr. In addition, orders worth Rs.75 Cr. are in pipeline. The outstanding orders are expected to be executed in FY25 and FY26 providing short term revenue visibility. GIPL order book includes clientele from both government and private sectors.

### **Weaknesses**

#### **Average financial risk profile**

GIPL's financial risk profile is average marked by average capital structure and indicators. Company's networth stood at Rs.32.20 Cr. as on 31st March'2024 as against Rs.31.84 Cr. as on 31st March 2023. Improvement in net worth is due to accretion of profits to reserves. The gearing ratio (debt-equity) stood at 0.71 times as on 31st March 2024 as against 0.80 times as on 31st March 2023. Low gearing is primarily due absence of long term borrowings. The total debt of Rs.22.84 Cr. as on March 2024 consists of short-term debt of Rs.7.82 Cr, and USL of Rs.14.95 Cr. Debt protection metrics of Interest coverage ratio(ICR) and debt service coverage ratio(DSCR) stood moderate. Interest coverage ratio stood at 1.38 times in FY24 as against 1.30 times FY23 and 1.27 times in FY22. DSCR stood at 1.32 times in FY24 as against 1.27 times in FY23 and 1.23 times in FY22. The total outside liabilities to tangible net worth (TOL/TNW) stood at 1.19 times as on March 31st 2024 as against 1.23 times as on March 31st 2023 and 1.13 times as on March 31st 2022. Acuite believes that financial risk profile of GIPL will continue to remain average over medium term amid company's plan to avail new long term loans for purchase of new equipment.

#### **Modest Scale of operations**

GIPL's scale of operations stood modest, however improved moderately over the past three years. GIPL registered the revenue of Rs.27.38 Cr. in FY24 as against Rs.23.06 Cr. in FY23 and Rs.22.04 Cr. in FY22. Improvement is backed by adequate inflow of new orders. Operating margins stood healthy at 21.92 percent in FY24 as against 22.66 percent in FY23 and 9.48 percent in FY22. However, PAT margin stood low at 0.83 percent in FY24 as against 0.54 percent in FY23 and 1.63 percent in FY22. Low PAT margins are due to high interest and depreciation costs.

#### **Working capital intensive nature of operations**

GIPL's operations are working capital intensive in nature as reflected by its gross current asset (GCA) days of 709 days in FY24 as against 845 days in FY23. GCA days are mainly dominated by debtor days. Debtor days stood high at 459 days in FY24 as against 509 days in FY23. Debtor days of the company are elongated as the company majorly deals with various state and central government entities. Working capital intensive operations has led to moderate utilization of its working capital limits of 46.98 percent over the past 12 months ending July 2024. Acuite believes that the working capital operations of the company will remain at similar levels over the medium term.

### **Rating Sensitivities**

#### **Positive**

- Sustainable improvement in the scale of operations while maintaining profitability leading to improvement in overall financial risk profile.
- Substantial reduction in debtor days and improvement in working capital operations.

#### **Negative**

- Any debt laden capex deterioration financial risk profile.
- Deterioration in scale of operations and profitability margins.
- Further elongation of debtor days resulting deterioration of liquidity profile.

### **Liquidity Position: Adequate**

GIPL's liquidity is adequate marked by adequate cash accruals against no major debt repayment obligation. Company's cash accruals improved marginally and stood at Rs.1.44 Cr. in FY24 as against Rs.1.14 Cr. in FY2023. GIPL's current ratio stood at 2.65 times as on 31st March 2024 and has a cash and bank balance of Rs. 6.80 Cr. as on 31st March 2024. Company has been moderately utilizing its working capital limits during the past 6 months ending June 2024. Acuite believes that liquidity position of the company will continue to be adequate in medium term in absence of any debt laden capex.

**Outlook: Stable**

Acuité believes that GIPL will maintain a 'Stable' outlook in near to medium term on account of its experienced management and support from GMR group. The outlook may be revised to 'Positive' if the company is able to achieve higher than expected growth in revenue while effectively managing its working capital cycle and keeping the debt levels moderate. Conversely, the outlook may be revised to 'negative' in case of moderation in liquidity profile and its profitability margins, and deterioration in debt protection indicators.

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	27.38	23.06
PAT	Rs. Cr.	0.23	0.13
PAT Margin	(%)	0.83	0.54
Total Debt/Tangible Net Worth	Times	0.71	0.80
PBDIT/Interest	Times	1.38	1.30

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

None

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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](http://www.acuite.in).

### Rating History :

Not applicable

## 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.	11.00	Simple	ACUITE A4   Assigned
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE BB-   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	39.00	Simple	ACUITE A4   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BB-   Stable   Assigned

## Contacts

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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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