

Press Release
Titan Intech Limited
October 01, 2025
Rating Assigned



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	50.00	ACUITE BB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minuso**)n Rs.50 Cr. proposed Non-convertible debentures (NCDs) of Titan Intech Limited. The outlook is '**Stable**'.

Rationale for rating assigned:

The rating assigned factors in the extensive experience of the promoters, healthy financial risk profile and adequate liquidity profile. The rating also draws comfort from company's healthy profitability margins. However, constrained by modest scale of operations, which is expected to be continued over the medium-term and intensive nature of working capital operations.

About the Company

Incorporated in 1984, Titan Intech Limited is engaged in the design & development of LED video displays, LED luminaires, high-end electronic as well as telecom software. It also provides software development and technical services to its clients in USA. The directors of the company are Mr. Zameer Ahammed Kottala, Mr. Kumarraju Rudraraju, Mr. Bharath Pavuluri, Mr. Narsimharao Venkata Laxmi Venuturupalle, Mr. Bhavani Prasad Kale, Mr. Venkata Subba Rao Elchuri, Mr. Sunil Ghanathe and Mr. Padmasree Kunapareddy. The registered office is located at Andhra Pradesh

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Titan Intech Limited (TIL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management:

The company is being managed by Mr. Kottala Zameer Ahammed, Mr. Mangala Sachin Salva, Mr. Sunil Kumar Ghanathe and others who possess an average experience of 35 years from fields such as banking, infrastructure and IT. The management's extensive experience has helped maintaining customer base in USA for software business. The company also undertakes LED display units assembly orders and currently has ~Rs.37 Cr. orders for this segment. Acuite believes, the experience of the management will help in improving the business risk profile of the company.

Healthy financial risk profile:

TIL's financial risk profile is healthy marked by healthy net worth, low gearing and healthy debt protection metrics.

The net worth of the company improved to Rs.88.68 Cr. as on March 31, 2025 from Rs.46.25 Cr. as on March 31, 2024 and Rs.17.04 Cr. as on March 31, 2023, due to equity infusion equity infusion, increase in securities

premium and accretion of profits to the reserves. The total debt levels, comprising equipment loans, remained nominal at Rs.2.85 Cr. as on March 31, 2025 as against Rs.1.86 Cr. as on March 31, 2024 and Rs.0.28 Cr. as on March 31, 2023. The improved net worth led to healthy gearing of 0.03 times as on March 31, 2025 as against 0.05 times as on March 31, 2024. Similarly, the total outside liabilities to tangible net worth (TOL/TNW) stood at 0.05 times as on March 31, 2025 against 0.10 times as on March 31, 2024 and 0.18 times as on March 31, 2023. The debt protection metrics stood healthy with debt service coverage (DSCR) and interest coverage ratio (ICR) of 35.37 times and 38.73 times respectively as on March 31, 2025.

Acuite believes that the financial risk profile of the company is expected to remain healthy over the medium-term.

Weaknesses

Small scale of operations:

TIL's revenue stood at Rs.27.02 Cr. in FY2025 as against Rs.44.05 Cr. in FY2024 and Rs.14.73 Cr. in FY2023. The company's revenue increased during FY2024 due to product diversification. However, termination of new contracts with one of the prime customers during the year led to decline in revenue for FY2025. Further, the company registered revenue of Rs.4.97 Cr. in Q1FY2026 which is similar to Q1FY2025 revenue and expected to close the year with the revenue of Rs.40-45 Cr. The operating profit margins of the company are improving consistently with 29.57 percent in FY2025 against 22.67 percent in FY2024 and 20.91 percent in FY2023. As the company operates in niche segment and software services which usually yields margin of 25-30 percent. Similarly, PAT margin improved consistently with 14.70 percent in FY2025 against 12.78 percent in FY2024 and 11.89 percent in FY2023. Further during the Q1FY2026 the company registered operating profit margin of ~32 percent and PAT margin of 12.88 percent.

Acuite expects the company's operations to remain modest level over the medium term.

Working capital Intensive operations:

The company's working capital operations remained intensive in nature, as evident from the gross current asset days (GCA) days ranging between 91-766 over the past three years ending March 31, 2025. The elongation of GCA days was primarily driven by high debtor levels, which stood at 177 days as on March 31, 2025 against 59 days as on March 31, 2024. The company generally maintains a credit policy of 60-120 days for software clients. However, due to termination of contract during the year, led to pending of receivables. Additionally, increase in other current assets in form of advances to suppliers during the last quarter of FY2025 further stretched GCA levels. Consequently, current ratio increased to 36.31 times as on March 31, 2025 as against 5.60 times as on March 31, 2024 and 1.25 times as on March 31, 2023. The company majorly utilizes cash accruals and bank balances for its day to day operations. Acuite believes the working capital operations of the company will remain moderately intensive over the medium term due to the nature of operations.

Rating Sensitivities

- Improvement in the scale of operations while maintaining profitability.
- Elongation in working capital cycle, leading to deterioration in liquidity.
- Change in financial risk profile.

All Covenants

The company shall be PAT positive on standalone basis.

Minimum Security coverage ratio of 1.1 times shall always be maintained on the outstanding amount of the debentures at all times throughout the tenor of the facility.

Liquidity position: Adequate

TIL's liquidity position is adequate as reflected through sufficient net cash accruals (NCAs) against the repayment obligations. The company registered NCA's of Rs.7.17 Cr. as on March 31, 2025 against the nil debt repayment obligation for the same period. NCA's are expected to range between Rs.9-30 Cr. over the medium term which would comfortably meet the expected nominal repayment range of Rs.0.10-0.90 Cr. The company's current ratio stood mode at 36.31 times as on March 31, 2025 and the GCA days stood at 766 days in FY2025. The company has Rs.0.46 Cr. unencumbered cash and bank balances. Acuite believes that the liquidity position of the company will remain adequate over the medium term on account of sufficient cash accruals against repayment obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	27.02	44.05
PAT	Rs. Cr.	3.97	5.63
PAT Margin	(%)	14.70	12.78
Total Debt/Tangible Net Worth	Times	0.03	0.05
PBDIT/Interest	Times	38.73	238.36

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>
- 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>

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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
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITÉ BB- Stable Assigned

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