



ACS Technologies Limited

(Formerly Known as LN Industries India Limited)

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CIN NO: L62099TG1993PLC015268

To
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001

January 21, 2026

Scrip code: 530745

Dear Sir/Madam,

Sub: Press Release Declaration under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that **Infomerics Valuation and Rating Limited** has assigned ratings of **ACS Technologies Limited**, as detailed below:

- **Long Term Bank Facilities:** ₹57.00 Crore – **IVR BBB-/Stable**
- **Short Term Bank Facilities:** ₹43.00 Crore – **IVR A3**
- **Total Facilities Rated:** ₹100.00 Crore

The said ratings have been assigned vide their rating letter/press release dated **January 21, 2026**.

In this regard, please find enclosed the **Press Release issued by Infomerics Valuation and Rating Limited** along with annexures, for your information and records.

We request you to kindly take the same on record.

**Thanking you,
For ACS TECHNOLOGIES LIMITED**

**Shilpi Gunjan
Company Secretary & Compliance Officer
Enclosure: As above**



Branch Offices

Visakhapatnam : D.No 39-11-17/1, Sector - VI, Murali Nagar, Visakhapatnam, India - 530007. Tel: 0891 - 2552207

Vijayawada : Level 1, Vasavya Complex, Near Benz Circle, Vijayawada, India - 520 010, Tel: +91 89785 66262



Press Release

ACS Technologies Limited

January 21, 2026

Rating

Security/ Facility	Amount (Rs. crore)	Current Rating	Previous Rating	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	57.00	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook).	-	Rating Assigned	Simple
Short Term Bank Facilities	43.00	IVR A3 (IVR A Three)	-	Rating Assigned	Simple
Total	100.00 (Rupees One Hundred crores only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at

Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The ratings assigned to the bank facilities of ACS Technologies Limited (ACSTL) derive comfort from the extensive experience of the promoters, which has enabled the company to establish relationships with reputed clientele, resulting in lower counterparty credit risk. The ratings are further supported by an improvement in business performance of the company in FY2025 [FY refers to the period from April 1 to March 31], albeit moderation in overall profitability and a comfortable capital structure with healthy debt-service coverage indicators. The ratings also positively note the strong order book position of the company thereby reflecting healthy near to medium term revenue visibility. However, these rating strengths are partially offset by the company's modest scale of operations, exposure to intense competition, and the working-capital-intensive nature of its operations which exerts pressure on liquidity. The outlook is expected to remain stable on the back of expected stable business performance of the company underpinned by strong orderbook indicating healthy revenue visibility for the near to medium term.

Key Rating Sensitivities:

Upward Factors:

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis.



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- Sustenance of the capital structure with improvement in debt service coverage indicators
- Improvement in working capital cycle leading to improvement in overall liquidity position of the company

Downward Factors:

- Decline in the revenue and/or profits impacting the net cash accruals on a sustained basis
- Moderation in the capital structure and/ or debt service coverage indicators on a sustained basis
- Elongation in the operating cycle with moderation in overall liquidity position of the company

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Extensive experience of the promoters**

The company was incorporated in 1993 and is promoted by experienced promoters with a long-standing presence in the industry. The operations of the company are headed by Mr. Ashok Kumar Buddharaju, Managing Director, who has an industry experience of over three decades across manufacturing and technology-driven businesses. The promoters' extensive experience and the company's long operational track record of nearly 30 years has enabled it to establish and maintain strong relationships with customers, suppliers, and other stakeholders, thereby supporting stable and sustained business operations.

- **Reputed clientele resulting in low counter party credit risk**

The company is engaged in providing Information Technology (IT) related services to various State Government, Central Government agencies and private organisations throughout the country. The company also provides IT services to various big domestic players engaged in infrastructure, manufacturing and trading segments. The company maintains long term relationship with the clients and gets repeated orders regularly. Further, all the company's clients being government entities and reputed private players imparts comfort in the form of low counter party credit risk.

- **Improvement in business performance marked by sustained growth in scale of operation**



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The scale of operations of the company increased at a CAGR of ~35% in the last three fiscal years with a y-o-y growth of ~54.4%, increasing from Rs. 81.99 crore in FY24 to Rs. 126.58 crore in FY25, driven by higher execution of orders during the year, supported by a healthy order book. Despite the sharp growth in topline, operating profitability moderated, with absolute EBITDA declining marginally from Rs. 10.76 crore in FY24 to Rs. 10.25 crore in FY25 resulting in decrease in EBITDA margin from 13.12% in FY24 to 8.10% in FY25. The difference in growth between revenue and profitability is attributable to the company's shift towards execution of private sector orders in addition to government contracts to enhance market penetration and diversify its customer base. In order to secure higher order volumes, the company accepted relatively lower-margin private contracts, which exerted pressure on margins. Consequently, PAT margin also moderated from 5.20% in FY24 to 3.81% in FY25. The company reported a Total Operating Income (TOI) of Rs. 75.88 crore in H1FY26, which improved from Rs. 49.57 crore in H1FY25, driven by higher order execution. Profitability also improved, with PAT increasing from Rs. 2.34 crore in H1FY25 to Rs. 3.19 crore in H1FY26. The company's ability to sustain the growth in its scale of operations while improving its profit margins will remain a key rating monitorable going forward.

- **Strong orderbook position**

The company has strong unexecuted order book position of Rs. 539.86 crore (4.26x of the revenue in FY25) as on November 30, 2025, which is to be completed within next 1-2 years and the Annual Maintenance Contract (AMC) work will be executed over a period of five-ten years depending on the terms of the contract. Timely execution and completion of the orders would remain a key monitorable going forward.

- **Comfortable capital structure with healthy debt coverage indicators**

The debt profile of the company comprises terms loans from banks and financial institutions, unsecured loans, and working capital borrowings. The capital structure remained comfortable with overall gearing of 0.48x as on March 31, 2025, as against an overall gearing of 0.27x as on March 31, 2024. The moderation in overall gearing is primarily due to higher working capital borrowings driven by the significant growth in operations, increased order execution, and higher receivable and inventory levels associated with the expanded scale of business. The debt coverage indicators were comfortable in FY25 with interest coverage ratio of 4.33x (4.57x in FY24). However, Total debt/EBITDA and Total debt/GCA moderated from 1.48x and 1.88x respectively as on March 31, 2024, to 2.68x and 3.52x respectively as on March 31, 2025.



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Total indebtedness as reflected by TOL/ATNW remained comfortable at 1.15x as on March 31, 2025

Overall gearing as on September 30, 2025, stood comfortable at 0.40x, while the debt coverage indicators, as reflected by the interest coverage ratio, also remained comfortable at 7.58x in FY25.

Key Rating Weaknesses

- **Modest scale of operation**

The scale of operations of the company remains modest, as reflected in a total operating income (TOI) of ~Rs. 127 crores in FY25. The modest scale of operations constrains the company's financial flexibility and its ability to absorb business or operating shocks. Infomerics expects the scale of operations to remain modest over the near term, thereby continuing to weigh on the company's overall credit profile.

- **Exposure to intense competition**

The IT/ITES industry in India is highly competitive and largely organised. The company faces stiff competition from larger players, which affects its pricing flexibility and its ability to acquire new customers. With numerous companies serving the same market, the competitive landscape limits the company's bargaining power and puts pressure on its profit margins. Its modest scale of operations also restricts both operational and financial flexibility to some extent. Additionally, any unfavourable technological shifts could negatively impact the company's revenue. Although the company is empanelled with several Government agencies for IT-related services, most orders continue to be secured through a tender-based process.

- **Working capital intensive nature of operations**

The company's operations are working capital intensive in nature, albeit with a notable improvement during the year, as reflected by the reduction in the operating cycle from 262 days in FY24 to 170 days in FY25. The elevated working capital requirement is primarily attributable to the project-based nature of its system integration and turnkey technology contracts, which require advance procurement of project-specific hardware, networking equipment, surveillance systems, IoT devices, and licensed software. Although the business is largely service-oriented, such inventory is generally procured prior to installation and commissioning and remains on the books until project milestones are achieved and client acceptance is obtained, particularly in government and institutional contracts. Further, revenues are largely milestone- or completion-linked, with payments released only after



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inspection and approval of deliverables, resulting in elongated receivable cycles. While increasing exposure to private-sector clients has aided in improving collections and shortening the operating cycle, inventory holding and receivable periods continue to remain relatively high, reflecting the inherently working capital-intensive nature of project execution and procedural timelines across both public and private-sector orders.

Analytical Approach: Consolidated

For arriving at the ratings, Infomerics has considered the Consolidated financial statement of ACSTL and its subsidiary –IOTIQ Innovations Private Limited (ACSTL holds 51% shares as on March 31, 2025). Both the companies are engaged in similar line of business, have strong financial linkages with cash flow fungibility, and share a common management team. List of entities considered for consolidated analysis is given at **Annexure 4**.

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of companies](#)

Liquidity – Adequate

The liquidity profile of the company is likely to remain adequate marked by sufficient cash accruals vis-à-vis its debt repayment obligation of Rs. 0.64 crore to Rs.1.09 crore during FY26-28. The overall gearing stood comfortable at 0.48x as on September 30, 2025, providing adequate gearing headroom. The average working capital utilisation for the last twelve months ended November 30, 2025, remained satisfactory at ~75% resulting in sufficient cushion in its working capital limits.

About the company

Incorporated in January 1993, ACSTL is engaged in the business of information technology and IT-enabled services, providing software development, system integration, IoT and automation solutions, and security and surveillance systems to enterprise, government, and institutional clients. Pursuant to an NCLT-approved Scheme of Arrangement effective March 31, 2022, the company transitioned from its earlier textile manufacturing operations to technology-driven solutions and subsequently adopted its present name in June 2023. The



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company operates on a service-oriented business model and is managed from its registered and corporate office in Hyderabad, Telangana, with offerings spanning emerging technology domains such as artificial intelligence and data analytics.

Financials: Standalone

For the year ended/ As on*	31-03-2024	(Rs. crore) 31-03-2025
	Audited	Audited
Total Operating Income	81.99	126.58
EBITDA	10.76	10.25
PAT	4.27	4.84
Total Debt	15.94	27.45
Tangible Net Worth	59.99	58.64
Adjusted Tangible Net Worth	57.99	56.64
EBITDA Margin (%)	13.12	8.10
PAT Margin (%)	5.20	3.81
Overall Gearing Ratio (x)	0.27	0.48
Interest Coverage (x)	4.57	4.33

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	-	-
1.	Working Capital Term Loan (WCTL)	Long Term	5.00	IVR BBB-/Stable	-	-	-
2.	Cash Credit	Long Term	52.00 (Including Proposed Limit of Rs. 33.50 crore)	IVR BBB-/Stable	-	-	-
3.	Bank Guarantee	Short Term	43.00 (Including Proposed Limit of Rs. 30.00 crore)	IVR A3	-	-	-



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Analytical Contacts:

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details



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Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook
Working Capital Term Loan (WCTL)	-	-	February 2032	5.00	IVR BBB-/Stable
Cash Credit	-	-	-	52.00 (Including Proposed Limit of Rs. 33.50 crore)	IVR BBB-/Stable
Bank Guarantee	-	-	-	43.00 (Including Proposed Limit of Rs. 30.00 crore)	IVR A3

Annexure 2: Facility wise lender details: As per annexure attached

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Entity	Consolidation/Combined Approach
ACS Technologies Limited	Full Consolidation
IOTIQ Innovations Private Limited	Full Consolidation

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.



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Annexure II

ACS Technologies Limited

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Facility wise lender names are:

Sl. No.	Lender Name	Type of Facility	Nature	Rated Amount (Rs. Crore)
1.	HDFC Bank	Working Capital Term Loan (WCTL)	Long Term	5.00
2.	HDFC Bank	Cash Credit	Long Term	18.50
3.	Proposed	Cash Credit	Long Term	33.50
4.	HDFC Bank	Bank Guarantee	Short Term	13.00
5.	Proposed	Bank Guarantee	Short Term	30.00