Press Release

Fluentgrid Limited

March 18, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	104.00	IVR BBB/Stable **(IVR Triple B with Stable outlook)**	-	Rating Assigned	Simple
Short Term Bank Facilities	106.00	IVR A3+ **(IVR A Three Plus)**	-	Rating Assigned	Simple
Proposed Long Term Bank Facilities	20.00	IVR BBB/Stable **(IVR Triple B with Stable outlook)**	-	Rating Assigned	Simple
Proposed Short Term Bank Facilities	15.00	IVR A3+ **(IVR A Three Plus)**	-	Rating Assigned	Simple
Total	**245.00**	**(Rupees two hundred and forty-five crore 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

Infomerics Ratings has assigned its rating to the bank facilities of Fluentgrid Limited which derive strength from its recurring order book with multi-segment diversification, reputed clientele with proven track record and comfortable capital structure of the company. However, the ratings are constrained by elongated working capital cycle and intense competition in the industry.

The outlook is stable in view of strong client relationships and comfortable capital structure of the company.

Key Rating Sensitivities:

Upward Factors

- Growth in scale of operations while maintaining the profit margins resulting in increase in gross cash accruals on a sustained basis.
- Improvement in debtor collection days resulting in improvement in the overall liquidity position of the company.

- Sustenance of the capital structure with improvement in debt coverage indicators.

Downward Factors

- Moderation in the scale of operations and/or deterioration in profit margin impacting the debt coverage indicators.
- Deterioration of operating cycle of the company impacting the overall liquidity position of the company.
- Unplanned large debt funded capex leading to deterioration in the debt protection parameters and/or the liquidity position of the company

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Recurring Order Book with Multi-Segment Diversification

As on 1st April 2025, Fluentgrid limited has confirmed order book of Rs. 706.86 crore (3.5x its FY25 revenue) where revenue will book on annuity basis. The order book is diversified across project segments Advanced Metering Infrastructure (AMI) - 36%, Customer Relationship Management (CRM) - 31%, Customer Information Systems (CIS) - 29% ensuring balanced exposure across service lines. The company has been consistently receiving orders for implementation and AMC, primarily from discoms. In FY26, the company has received orders worth Rs. 212.08 crore for annual maintenance and one-time contracts. In 9MFY26, the company has earned a revenue of Rs. 196.73 crore with operating margin of ~22%. With the current order book, the company is projected to earn revenue of Rs. 280 to Rs. 300 crore in FY26.

The total operating income (TOI) of the company marginally reduced by ~6% from Rs. 215.18 crore in FY24 to Rs. 202.15 crore in FY25, primarily due to delays in project execution and slower rollout of certain government programs. The EBITDA margin moderated to 23.40% in FY25 from 25.56% in FY24, mainly on account of fixed overheads as reflected in an increase in manpower cost to TOI ratio to 50.80% in FY25 from 48.22% in FY24. Despite the moderation in operating performance, gross cash accruals remained comfortable at Rs. 26.77 crore in FY25, though lower than Rs. 30.79 crore in FY24, in line with the decline in revenues.

Reputed and diversified clientele across utilities and smart city projects with proven track record

Fluentgrid Limited serves a wide base of established public and private sector clients across the power distribution, generation, and urban infrastructure segments. The company has executed large-scale CIS, CRM, smart metering (AMI), and smart grid projects for utilities such as Tata Power, Adani Electricity Mumbai Limited, Brihan Mumbai Electric Supply & Transport Undertaking (BEST), South Bihar Power Distribution Company Limited, Jharkhand Bijli Vitran Nigam Limited, West Bengal State Electricity Distribution Company Limited, Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, and other state DISCOMs. Globally, the company is also providing services to OSHEE (Albanian Energy Operator) in Europe, Energy Utility Corporation Limited (EUCL) of Rwanda and EEU of Ethiopia in Africa, DABS (Da Afghanistan Breshna Sherikat) -The national electricity utility of Afghanistan, Kahramaa of Qatar, and others.

Fluentgrid CIS is the flagship product of the company, which is a comprehensive, AI-driven, scalable, and flexible customer information system developed to support the evolving requirements of modern utilities. The solution provides a unified platform for managing the complete customer lifecycle, from service connection and metering to billing and post-billing activities.

Comfortable capital structure and debt coverage metrics

The Tangible net worth (TNW) of the company stood at Rs. 209.54 crore as on 31st March 2025 while the Adjusted TNW (adjusted for non-current and long-standing debtors) stood at 81.82 crore.

The capital structure of the company continued to remain satisfactory with long term debt equity ratio (on ATNW) and overall gearing ratio (on ATNW) of 0.15x and 1.41x respectively as on March 31, 2025 [0.17x and 1.12x respectively as on March 31, 2024]. The moderation in overall gearing is mainly due to rise in borrowing to meet the funding requirement for business expansion and operational working capital.

The debt protection metrics of the company reflected by interest coverage ratio remained satisfactory though moderated to 3x in FY25 from 3.25x in FY24 due to decrease of EBITDA in FY25. Further, with increase in overall debt levels, Total debt/EBITDA moderated to 2.44x in FY25 from 1.80x in FY24.

Key Rating Weaknesses

Elongated working capital cycle

The company's operating cycle remained elongated at 265 days in FY25, mainly due to a prolonged collection period of 309 days in FY25. The elevated receivable days are attributable to delays in realisation of dues from projects where billing is linked to milestone-based execution, resulting in higher outstanding receivables. As on 31st March 2025, the unbilled revenue (not due for payment) stood Rs. 53.48 crore reduced from Rs. 87.28 crore as on 31st March 2024. Historically, receivables have remained elevated and generally ranged between 70% and 100% of the TOI. While the receivable levels are high, the associated credit risk is partly mitigated as the counterparties are largely government and government-backed entities. Further, the company has non-current debtors to the tune of Rs. 74.61 crore as on March 31, 2025, which are under arbitration. Further increase in non-current debtors or increase in debtor days remains a key monitorable.

Intense Competition; Sector-Specific Challenges

Fluentgrid operates in a highly competitive segment of IT-enabled services for utilities and e-governance, where contracts are primarily awarded through government tenders. The sector is witnessing increased participation from both established IT firms and emerging players, leading to pricing pressure and limited scope for margin expansion. While the industry benefits from strong digital infrastructure push and policy support, it is also exposed to cyclical government spending, evolving technology, and limited pricing flexibility. However, these risks are partially offset by its longstanding relationships with public sector clients, its specialisation in smart metering and revenue management systems, and its proven execution capabilities across multiple states. The company's ability to maintain technical relevance and operational efficiency will be critical to navigating the competitive landscape

Analytical Approach: Standalone

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](#)

Liquidity – Adequate

The liquidity profile of the company is expected to remain adequate marked by expected sufficient cash accruals of more than Rs. 40 crore vis-à-vis its debt repayment obligation of not more than Rs. 5 crore each year during FY26-28. The current ratio also stood comfortable at 1.44x as on March 31, 2025. However, the average working capital utilisation remained moderately high at ~93% during the last twelve months ended December 2025 indicating limited buffer in its working capital limits.

About the Company

Fluentgrid Limited, incorporated in 1998 and headquartered in Visakhapatnam Smart City, is engaged in providing integrated smart utility software solutions to clients primarily in the energy and utilities sector. The company offers a comprehensive product portfolio comprising 25 modules across five complementary product lines—Customer Information System (CIS), Customer Relationship Management (CRM), Advanced Metering Infrastructure (AMI), Smart Grid, and Enterprise solutions.

Fluentgrid CIS the flagship product of the company is a comprehensive, AI-driven, scalable, and flexible customer information system named as “mPower” developed to support the evolving requirements of modern utilities. The solution provides a unified platform for managing the complete customer lifecycle, from service connection and metering to billing and post-billing activities.

Fluentgrid primarily caters to public sector and government-owned utilities, mostly funded by govt programs or multilateral funding agencies like World Bank, which typically award contracts through competitive bidding and follow stringent technical and financial qualification criteria. Fluentgrid also works with most of the private power utilities in India, including Tata Power, Adani, Torrent Power, etc. Tata Power has standardized on Fluentgrid’s AMI product for all their future smart meter rollouts.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	215.18	202.15
EBITDA	54.99	47.31
PAT	21.43	14.98
Total debt	98.88	115.66
Tangible Net Worth (TNW)	203.48	209.54
Adjusted Tangible Net Worth (ATNW)	88.35	81.82
EBITDA Margin (%)	25.56	23.40
PAT Margin (%)	9.90	7.36
Overall Gearing Ratio on ATNW (x)	1.12	1.41
Interest Coverage (x)	3.25	3.00

* *Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	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.	Long Term Bank Facilities	Long Term	104.00	IVR BBB/Stable	-	-	-
2.	Short Term Bank Facilities	Short Term	106.00	IVR A3+	-	-	-
3.	Proposed Long Term Bank Facilities	Long Term	20.00	IVR BBB/Stable	-	-	-
4.	Proposed Short Term Bank Facilities	Short Term	15.00	IVR A3+			

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About Infomerics:

Infomerics Valuation and Rating Ltd (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.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	104.00	IVR BBB/Stable
Bank Guarantee	-	-	-	-	106.00	IVR A3+
Proposed Cash Credit	-	-	-	-	20.00	IVR BBB/Stable
Proposed Bank Guarantee	-	-	-	-	15.00	IVR A3+

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/len_fluentgrid_mar26_e8a9ca12a5.pdf

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

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.