

## About the Company

Ceinsys Tech Limited is a technology-driven organization that specializes in offering solutions in the Geospatial, Enterprise & Engineering and mobility services space for a global clientele. The company focuses on every endeavour with its core purpose and drive of 'Enhancing Possibilities'.

In planning, decision and action, the idea is to continually look for better possibilities and enhancing outcomes for clients, employees and the entire operating ecosystem. Incorporated in 1998, Ceinsys is a CMMI (SVC & DEV) Level 5 organization listed on Bombay Stock Exchange. It forms an integral part of the large conglomerate – Meghe Group of Institutions.

Over the decades, Ceinsys has focused on offering technology solutions for various domains and established as a premier Geospatial & Engineering solution provider in the ITES space.

## Performance Highlight

In 2022, Revenue grew by 9.7% to INR 203 Cr compared to 2021, primarily due to better operating performance. The ongoing operational discipline also helped Ceinsys Tech to improve their Earnings Before Interest and Taxes (EBIT) margin, ending March 31, 2022 shows an increase of 46.75% Y-o-Y at a consolidated level. In terms of Segment revenue the revenue for Enterprise Geospatial & Engineering Services has increased by 7.87%. The Net Profit stood at INR.10 Cr with an increase of 400% Year on Year compare to last financial year at a consolidate level. The directors have recommended a final dividend of Rs. 2.25 per Equity share for financial year 2021-22.

The Company made a recent acquisition of Allygrow Technologies Private Limited, a technology driven organization that focuses on core engineering design, development and manufacturing engineering services having presence in US, Europe and India.

### Stock Data (as on June 30, 2023)

NIFTY	19189
52 Week H/L (in Rs.).	249/116
Market Cap (in Rs.).	324 Cr.
Outstanding Shares.	15.43m
Dividend Yield	1.07%
BSE Code	CEINSYSTech



	1M	3M	1Y
Absolute Return(%)	34.07	62.97	46.75

### ShareHolding Pattern (march 31, 2023)

Promoters	58.61
FII	0.00
DII	7.10
Public	34.30
Others	0.00

## Chairman's Message

Financially, we have continued demonstrated our ability to generate steady cashflows. We have been focusing on overseas business to further expand our business operations and leverage the upside of our presence across multiple geographies. Company acquired Allygrow Technologies Private Limited, a technology driven organization that focuses on core engineering design, development and manufacturing engineering services having presence in US, Europe and India. This acquisition will provide a unique positioning of your company as an Indian brand with wide exposure and competencies in Geospatial and Engineering segments and will help expand Ceinsys business domain globally through Allygrow's International presence.

As we enter our 25th year of operations, we will continue to scale, innovate and accelerate the growth into newer domains.

## CEO's Message

I must say it was truly a testing year and at the end of it, we have emerged stronger with a renewed zeal for excellence. We fared well across all key operational parameters throughout the year and have delivered 9.52% year-on-year (Y-o-Y) growth with INR 1778.37 Lakhs in FY 2021-22 revenue at a consolidated level. Your Company aspires to Shape the Future of the Digital Industry. Amidst various disrupting events over the past two years, your Company has emerged as a trusted partner for its clients. Your Company's adherence to quality and meticulous business execution has resulted in it being recognized as a preferred partner in government empanelment as well as for recurrent B2B engagements with international clients. Combining geospatial core competence with the latest technologies, your Company is well poised to deliver state-of-the-art solutions in the global marketplace.

Anticipating the future, creating a niche for ourselves, and preparing for the future global needs while maintaining stable organic growth is what your Company will focus on.

## M.D's Message

We at Ceinsys constantly strive to stay atop the technological curve by imbibing the global best practices and best in-class technologies. During the year, we have bagged significant and large value deals notably from Municipal Corporation of Greater Mumbai, Mumbai for carrying out GIS and Remote Sensing Consultancy Services, State Water and Sanitation Mission, Uttar Pradesh wherein Ceinsys shall carry out Third Party Inspection and Monitoring of Physical and Financial Progress of various Rural Water Supply Projects in the state of Uttar Pradesh. Other notable wins were from Navi Mumbai Municipal Corporation, Chandrapur Municipal Corporation, Madhya Pradesh Agency for promotion of Information Technology, to name a few.

The company is primarily focusing on imbibing New Age Technologies namely Lidar & High-Resolution Imagery Processing, 3D City Modelling using Digital Twins & GeoBim, Decision Support System using 5D BIM Dashboards & WebGis applications in its offerings to provide a comprehensive solution to its customers across multiple geographies.

## Industry Overview and Competitive Positioning

### Global & Domestic Economic Outlook:

The rebound of the Global economy continues amid the uncertainties of new Covid variants, the ongoing Ukraine Conflict, global supply chain shocks, and rampant inflation in major economies. According to the World Bank, global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023.

India's domestic activity has shown significant upward momentum, almost nearing the pre-second wave economic growth trajectory. Indian economy, according to Morgan Stanley's Midyear Outlook, will see a slight step down from 2021 but is still on track for 7.4% growth. Against the backdrop of global uncertainty, India's recovery looks to achieve a fair rate of traction.

### Geospatial Industry:

- Rapid developments in the field of spatial data such as advancements in sensor data capabilities, data fusion, and availability of High-Resolution data, are promoting the growth expected in the Geospatial Industry. Technologies like 4IR, Big Data, Cloud, AI, IoT, and AR/VR have paved their way into the geospatial world.
- The global geospatial analytics market size is projected to grow from USD 59.5 billion in 2021 to USD 107.8 billion in 2026, at a Compound Annual Growth Rate (CAGR) of 12.6%.
- According to India Geospatial Artha Report, The Indian Geospatial economy has the potential to grow to Rs 63,100 crore at 12.8 percent by 2025 end.
- The Geospatial & Enterprise domains are the pillars of your Company. Last Year, the Company worked on a major project that required creating 360-degree immersive visual image data, an integrated web-based solution that would provide the capability of state-wide encroachment analytics.

### Water Engineering:

- The global smart water management market size & its share is expected to register a CAGR of 10.3% growth and industry revenue is expected to increase from USD 13.73 Billion in 2021 to reach USD 31.73 Billion by 2030.
- The Water engineering domain is one of the most promising divisions of the Company, catering to Project Management Consultancy (PMC), assessment and reduction strategy of Non-Revenue Water (NRW), Smart Water Solutions, and Water Resources Management Consultancy requirements.
- The Company is a trusted name in the Project Management Consultancy for Water Supply Projects. Your Company was assigned with the additional responsibility of DPR preparation of 12 new schemes of rural water supply schemes of Uttar Pradesh, in addition to the 7 schemes awarded earlier.

### Energy:

- The global electric power generation, transmission, and distribution markets are expected to grow from \$4,091.77 billion in 2021 to reach \$5,932.43 billion in 2026 at a CAGR of 7.6%. Smart Grid Market Size to reach a worth of around US\$ 162.8 Bn by 2030.

- The Asia-Pacific market for smart grid technology is estimated to grow from \$9.5 billion in 2021 to \$16.8 billion by 2026, at a CAGR of 12.0% during the forecast period of 2021-2026.
- India is the world's third-largest energy consumer after the US and China. Domestic electricity demand is expected to grow at a remarkable CAGR of 7.0.

### **Engineering Services:**

- The Global Engineering Services (ESO) market (inclusive of research, design, prototyping, testing, etc) is an accelerating market with a 23% CAGR over the next 6 years.
- Indian engineering R&D market to grow at a CAGR of 12% to 13% until 2025. The Success of Indian ESO firms was reconfirmed in September 2021 when India moved up two spots to 46 in the Global Innovation Index (GII) 2021.

### **Software Technology Solutions – Tech Center:**

- Company has partnered with many technology solution companies having best-of-breed technologies, gaining access to critical technology.
- Autodesk - Autodesk builds software that helps people imagine, design, and make a better world. Traditionally Autodesk has been a market leader alone capturing about 42% of the market in small, medium, and large enterprise.
- Bentley - Bentley Systems is a worldwide leader in the booming Infrastructure market, develops, manufactures, licenses, sells and supports computer software and services for design, construction, and operation.

### **Industry Players Outlook**

**Tata Elxsi Ltd:** Tata Elxsi is amongst the world's leading providers of design and technology services across industries including Automotive, Media, Communications and Healthcare. Tata Elxsi provides integrated services from research and strategy, to electronics and mechanical design, software development, validation and deployment, and is supported by a network of design studios, global development centers and offices worldwide.

**Persistent Systems:** Persistent Systems provides software engineering and strategy services to help companies implement and modernize their businesses. It has its own software and frameworks with pre-built integration and acceleration [1]. It also has partnership with providers such as Salesforce and AWS.

**KPIT:** KPIT is a global technology company with software solutions that will help mobility leapfrog towards autonomous, clean, smart and connected future. With 10000+ Automobelievers across the globe, specializing in embedded software, AI & Digital solutions, KPIT enables customers accelerate implementation of next generation mobility technologies.

Upon analyzing multiple industry players serving as sources of business for Ceinsys Tech, we have determined that these companies demonstrate robust growth plans. Consequently, due to its extensive history, skilled management, solid client relationships, and business expertise, Ceinsys Tech is anticipated to become a prominent niche player and a significant contributor to the growth plans of various stakeholders.

## Corporate Governance

- **Board Of Directors:** The composition of the Company's Board, which comprises of Eight (8) Directors. About 50% of the Company's Board comprises of Non-Executive Independent Directors (IDs). The Board does not comprise of any Nominee Director.
- **Senior Management:** Like the board of directors, Ceinsys's management, listed on the left, is comprised of experienced professionals, which ultimately translates into greater value creation to the shareholders.
- **Audit:** Audit Committee that helps to oversee corporate accounting and reporting practices of the company.
- **Committees:** Nominating, Auditing and compensating exist. This is crucial in a sense of creating independency and transparency between the core business management, shareholders and employees.

## Corporate Social Responsibility

For the purpose of focusing Ceinsys CSR in a continued and effective manner, the following thrust areas have been identified as to:

- promote education
- health and welfare
- community well being
- promote gender equality and empower women
- reduce child mortality and improve maternal health
- ensure environmental sustainability
- enhance vocational skills on employment.
- social business projects; ix. eradicating extreme hunger and poverty
- Such other matters as may be decided from time to time, and also
- may include activities which are connected to the company's core
- activities and fruitful in the long run.

Expenditure related to CSR is Rs. Nil for 2022,

Expenditure related to CSR, 2021:

- Promoting Education: INR 26.00 Lakhs

## Senior Management

**Mr Sagar Meghe**  
*Non-Executive and Non-Independent Director Cum Chairman. He has expertise in Industry, management & leadership .*

**Mr. Prashant Kamat**  
*Whole Time Director, Vice Chairman and CEO. Industry Experience, Management & Leadership Skills.*

**Dr. Abhay Kimmatkar**  
*Managing Director, Phd from Nagpur University, Business, management, Marketing & IT.*

**Mr. Dhruv Kaji**  
*Independent Director, Expertise in Technical, Management & Leadership Skills.*

**Mr. Rahul Joharapurkar**  
*Joint Managing Director, Instrumentation and Control Engineering graduate from COEP. 30 years of work experience in the field of Project Management.*

**Dr. Satish Wate**  
*Independent Director, Expertise in Technical, Management & Leadership Skills.*

**Mr. Kishore Dewani**  
*Independent Director, holds the position of President for Itat Bar Association. Mr. Dewani received an undergraduate degree from Nagpur University.*

**Ms. Renu Challu**  
*Independent Women Director, Associate of Indian Institute of Banking & Finance. Received a graduate degree from the University of Lucknow.*

## Key Financial Analysis

**Sales Growth:** Sales growth in March 2020 was 11.93%, amounting to Rs. 197 crore. In March 2022, sales growth dropped to 9.73%, totalling Rs. 203 crore. This decrease could be attributed to various factors such as increased competition, changing market conditions, or a slowdown in demand. The impact on the company is a slower revenue growth rate, which may affect its overall financial performance and market position.

**Operating Margin:** The constant operating margin suggests that the company has been able to maintain its operational efficiency and control costs effectively. This stability is positive as it ensures consistent profitability for the company.

**Net Profit Margin:** The increasing net profit margin indicates improving profitability over time. The acquisition in 2022 might have contributed to this increase by providing synergies and cost-saving opportunities. The impact on the company is higher profitability, which can strengthen its financial position and support future investments.

**Fixed Asset Turnover:** The decreasing fixed asset turnover signifies a declining efficiency in utilizing fixed assets to generate sales. This may indicate underutilization of assets or a need for investments in more productive assets. The impact on the company is reduced asset productivity, which could affect overall profitability and return on investment.

**Net Working Capital to Sales:** The decreasing net working capital to sales ratio suggests a potential improvement in working capital management. However, the relatively high ratio indicates that a significant portion of sales is tied up in working capital, which may limit the company's flexibility in utilizing funds for other purposes. The impact on the company is a need for effective working capital management to optimize cash flow and enhance financial stability.

**Debtors Days:** The decreasing debtors days indicate a reduction in the average time it takes to collect outstanding payments from customers. However, the high number of debtors days, even after the decrease, suggests a need for improved credit management and collection practices. The impact on the company is a potential risk of delayed cash inflows and higher working capital requirements.

**Inventory Days:** The decrease in inventory days signifies improved inventory management and the ability to sell products more efficiently. This reduction may result from better demand forecasting or streamlined inventory control processes. The impact on the company is enhanced liquidity and reduced carrying costs associated with inventory.

**Creditor Days:** The decreasing creditor days imply a shorter time frame for settling obligations to creditors. However, the decreasing trend contradicts expectations, as it suggests potential strain on supplier relationships or missed opportunities for favorable credit terms. The impact on the company is the need to manage creditor relationships effectively to maintain favorable payment terms and avoid disruptions in the supply chain.

**Debt to Total Capital:** The decrease in the debt to total capital ratio indicates a reduction in the company's reliance on debt financing. This can improve the company's financial



stability and reduce the risk associated with debt repayment. The impact on the company is a strengthened balance sheet and increased flexibility in capital allocation decisions.

**Cash Flow from Operating Activities:** The positive cash flow from operating activities suggests that the company generates sufficient cash from its core operations. The increasing trend indicates improving cash generation capabilities. The impact on the company is improved liquidity and the ability to fund ongoing operations and investments internally.

**Cash Flow from Investing Activities:** The negative cash flow from investing activities implies that the company is making significant investments in its business. This could include capital expenditures, acquisitions, or investments in research and development. The impact on the company is potential long-term growth opportunities, but it also requires careful evaluation of the return on investment.

**Cash Flow from Financing Activities:** The negative cash flow from financing activities indicates that the company is utilizing funds to repay debts and dividends. This suggests a commitment to maintaining a strong financial position and rewarding shareholders. The impact on the company is improved solvency and potential shareholder satisfaction.

**Return on Capital Employed (ROCE):** The decreasing ROCE indicates a decline in the company's ability to generate returns on its invested capital. The current level of ROCE is significantly below the industry standard, indicating suboptimal utilization of capital. The impact on the company is reduced profitability and potential challenges in attracting capital for future investments.

**Return on Equity (ROE):** The slowly increasing ROE suggests a positive trend in generating returns for shareholders. However, the ROE remains below the average, indicating a need for further improvement. The impact on the company is a gradual enhancement in shareholder value, but it may still fall short of market expectations.

Particulars	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Sales Growth		38.60%	36.71%	23.15%	8.27%	-2.08%	24.82%	11.93%	-6.09%	9.73%	8.37%
OPM	23%	22%	18%	17%	16%	15%	14%	25%	10%	12%	14%
NP Margin	8.77%	7.59%	6.48%	3.76%	4.17%	3.55%	1.70%	11.17%	1.08%	4.93%	14.09%
Fixed Asset turnover ratio	2.59	3.29	4.15	4.59	5.14	5.04	6.29	7.58	8.04	4.51	5.50
Networking Capital	21.9	31.12	55.86	100.3	129.67	152.38	147.29	151.09	142.58	143.24	145.28
Networking Capital/Sales	38.42%	39.39%	51.72%	75.41%	90.05%	108.07%	83.69%	76.70%	77.07%	70.56%	66.04%
Debtor Days	160.1	117.8	103.1	127.6	191.4	270.5	237.5	207.5	232.8	188.8	147.7
Inventory days	57.6	71.6	84.5	119.4	88.7	24.6	9.3	8.3	10.9	3.6	4.1
Creditor Days	73.4	44.5	30.9	43.2	50.4	62.4	83.8	94.8	114.2	99.8	66.0
Debt to Total capital	68.63%	66.15%	60.64%	70.50%	69.82%	62.11%	63.21%	51.87%	49.43%	28.00%	22.35%
Cashflow From Operating	0	-4	2	-31	5	-3	24	36	23	26	47
Net Profit	5	6	7	5	6	5	3	22	2	10	31
Cashflow From Investing	-6	-3	-5	-5	-10	-8	0	4	0	-1	-9
Cashflow From Financing	8	8	8	35	3	11	-23	-39	-24	-21	-20
Cummulative Cashflows from operations	0	-4	-2	-33	-28	-31	-7	29	52	78	125
Cummulative NetProfit	5	11	18	23	29	34	37	59	61	71	102
ROCE %	14.45%	15.46%	12.30%	7.05%	9.59%	7.96%	7.15%	17.71%	6.99%	6.63%	11.75%
ROE %	9.80%	9.23%	7.45%	3.60%	3.55%	2.63%	1.55%	11.76%	1.14%	4.44%	12.16%

## Profit & Loss

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Sales +	57	79	108	133	144	141	176	197	185	203	220
Expenses +	44	62	88	110	122	119	152	147	168	179	188
Operating Profit	13	17	19	23	22	21	24	50	18	24	32
OPM %	23%	22%	18%	17%	16%	15%	14%	25%	10%	12%	14%
Other Income +	0	0	1	1	3	5	3	2	2	4	10
Interest	4	6	8	12	16	17	18	17	13	11	8
Depreciation	2	2	2	3	4	4	4	4	3	3	4
Profit before tax	8	9	10	9	6	5	5	31	2	13	29
Tax %	33%	33%	32%	51%	10%	11%	31%	28%	18%	29%	-7%
Net Profit +	5	6	7	5	6	5	3	22	2	10	31
EPS in Rs	13.95	8.23	6.84	4.52	5.51	4.09	3.09	19.92	1.79	5.96	20.02
Dividend Payout %	10%	13%	0%	20%	21%	31%	73%	13%	126%	38%	0%

## Profit & Loss Statement

## Balance Sheet

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Share Capital +	3	7	9	9	9	11	11	11	11	15	15
Reserves	13	15	28	32	42	61	60	79	78	147	183
Borrowings +	35	43	57	98	118	118	122	97	87	63	57
Other Liabilities -	24	35	29	41	24	41	61	63	80	75	58
Non controlling int	0	0.15	0.16	0.03	0	0	0	0	0	7.96	0
Trade Payables	11.47	7.8	10.48	21.03	18.7	29.52	51.26	51.02	64.7	46.35	33.22
Advance from Customers	0	0	0.31	0.09	0	1.67	0.12	0.14	4.55	7.47	
Other liability items	12.63	27.08	18.35	19.58	5.63	9.43	9.33	11.75	11.17	12.94	24.5
Total Liabilities	75	99	123	180	194	230	253	250	256	300	313
Fixed Assets +	22	24	26	29	28	28	28	26	23	45	40
CWIP	0	0	0	0	0	0	0	0	0	0	0
Investments	3	3	0	0	6	0	0	0	0	19	26
Other Assets -	50	71	96	151	159	202	225	224	233	237	246
Inventories	9	22	28	59	11	8	1	8	3	1	4
Trade receivables	25	26	35	58	93	116	113	111	125	85	93
Cash Equivalents	4	5	11	11	6	9	17	11	10	27	43
Short term loans	1	2	0	0	0	3	4	0	0	0	0
Other asset items	11	16	22	24	50	66	90	95	95	124	106
Total Assets	75	99	123	180	194	230	253	250	256	300	313

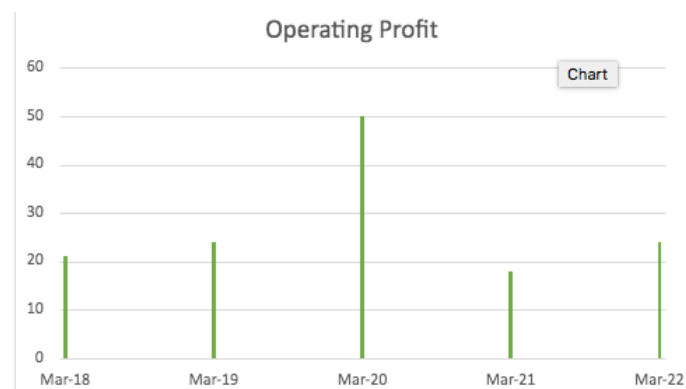
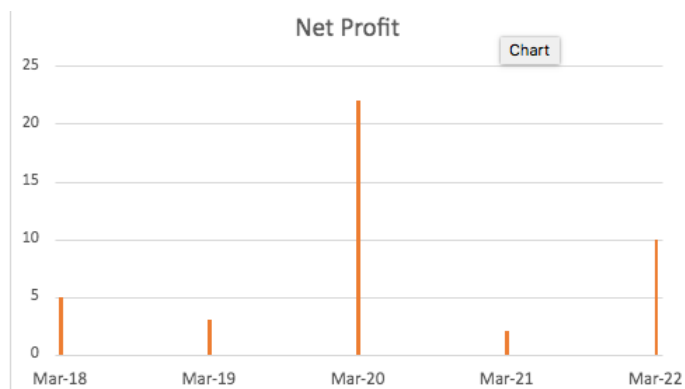
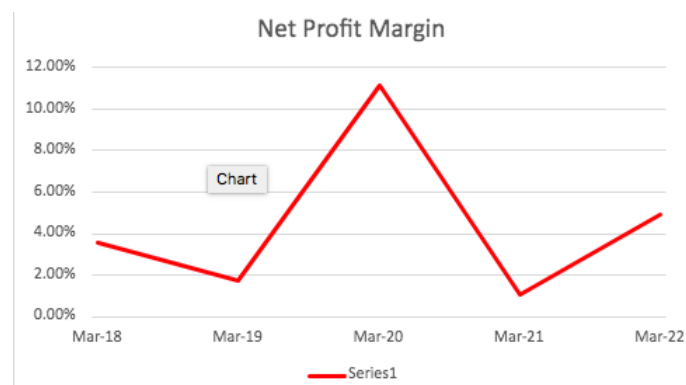
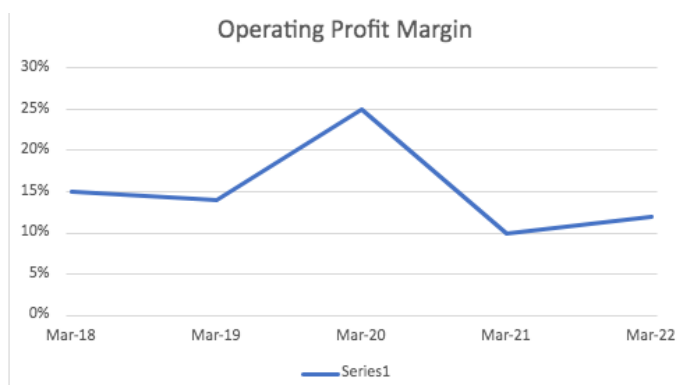
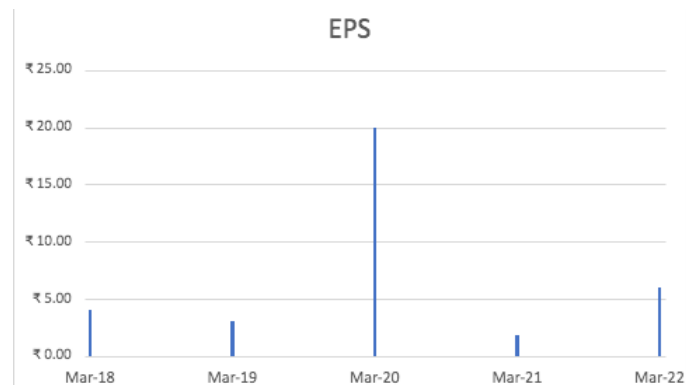
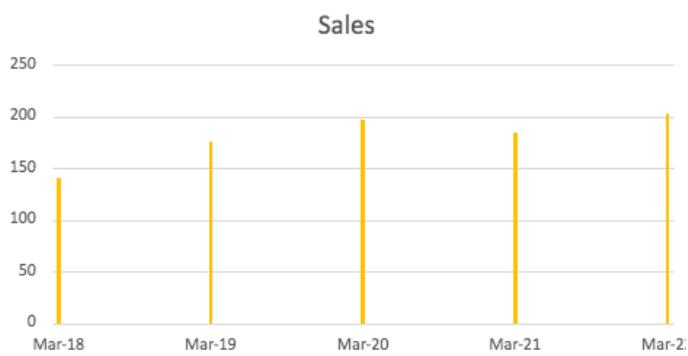
## Balance Sheet

## Cash Flows

	Mar-20	Mar-21	Mar-22	Mar-23
Cash from Operating Activity +	36	23	26	47
Cash from Investing Activity +	4	0	-1	-9
Cash from Financing Activity +	-39	-24	-21	-20
Net Cash Flow	0	-1	4	18

Cash Flow statement Mar-20 to Mar-23





Caption

Caption

## Notes to Financial Statements and Other Statutory Disclosures

- There are no balances outstanding on account of any transaction with companies struck off under section 248 of the Companies Act, 2013, or section 560 of the Companies Act, 1956.
- The management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS. On the basis of review carried out by the management, there was no impairment loss on Property, Plant and Equipment during the year ended March 31, 2022.
- The Holding Company received one demand notices in previous year from the Income Tax Department, however since there were Tax computation errors by the said department, the Company has filed rectification application.
- On April 28, 2016, a civil suit has been filed on one of the subsidiary company and its key employees. Based on management evaluation in consultation with legal counsel, the case holds no merit, hence, no provision in respect of this matter in the books as at March 31, 2022.
- There are no capital commitments as at the end of any of the reported years.