

August 20, 2025

Ivalue Infosolutions Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term-Fund based-Cash credit	83.00	118.00	[ICRA]A (Stable); reaffirmed
Short term-Fund based-Others	25.00	-	-
Short term-Interchangeable-Others	(60.00)	(62.50)	[ICRA]A2+; reaffirmed
Short term-Non fund based-Others	10.00	-	-
Total	118.00	118.00	

*Instrument details are provided in Annexure-I

Rationale

The ratings reaffirmation for the bank lines of Ivalue Infosolutions Limited (IIPL) factors in the steady business profile and earnings, supporting its financial performance as well. The company reported a healthy growth of 15.6% in its gross revenues (gross operating income) at Rs. 2,439.4 crore in FY2025 against Rs. 2,110.5 crore in FY2024 owing to growth in domestic as well as overseas operations, supported by an increase in sales related to existing original equipment manufacturers (OEM), as well as onboarding of new OEMs. The healthy business outlook stemming from end-consumers, strengthening their technological capabilities along with IIPL's diversified product offerings are likely to support revenues, going forward. The ratings also factor in the company's comfortable debt profile, with limited dependence on external debt and a negative net debt position since FY2020. The company's debt metrics are expected to remain healthy over the medium term, given its minimal capex plans and debt servicing obligations over the next three years. ICRA also notes that the company plans to get listed to provide a partial exit to the private equity (PE) investor.

The ratings, however, continue to be constrained by the working capital-intensive nature of business, low margins and moderate scale of operations. The company's scale of operations remains relatively moderate in terms of the IT distribution space compared to other established players, despite healthy revenue growth over the last five years. Also, its operating margins remain range bound at 5.0-5.5%, owing to the nature of the distribution business, although it is better than pure play distributors. The company is open to acquiring similar entities in the IT distribution space. The impact of these on the company's credit profile would be evaluated on a case-by-case basis.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will be able to sustain its credit profile, supported by its healthy cash accruals and debt metrics, adequate liquidity position and minimal capex plans.

Key rating drivers and their description

Credit strengths

Healthy revenue growth during the last five years; favourable demand outlook – Expansion in customer base across industry segments including banking, financial services and insurance (BFSI), enterprises and Government business, repeat orders from system integrators (SI) and addition of new vendors/OEMs have enabled IIPL's sustained revenue growth over the years. IIPL's gross revenues rose to Rs. 2,439.4 crore in FY2025 from Rs. 1,296.4 crore in FY2022, at a CAGR of 23.5%. While IIPL's scale of operations is relatively moderate compared to other established players, the demand outlook over the medium term remains

healthy with more enterprises strengthening their technological capabilities. Further, the company has added 8-10 new OEMs in the last year, boosting its product offering and helping it better capitalise on the demand from SIs. In addition, the company is venturing in new geographies such as Sri Lanka, Bangladesh and Singapore as a part of its business expansion plans and the company is ramping up its operations in overseas subsidiaries as well. Accordingly, IIPL is expected to post stable revenue growth over the medium term.

Healthy coverage metrics – As the business is not capex intensive, the company has negligible long-term debt and its borrowings are restricted only to working capital requirements. Further, its unencumbered cash and bank balances as on March 31, 2025 stood at Rs. 162.6 crore and has remained over Rs. 60.0 crore consistently since FY2020, following fund infusion by PE investors. Accordingly, the company has been net debt negative since FY2020, and its working capital utilisation has been moderate at 50-60% of the sanctioned limits in FY2025. The company's coverage metrics are expected to remain healthy over the medium term, given minimal capex plans and negligible repayment obligations. However, the impact of business acquisitions, if any, on its credit profile and coverage metrics would be evaluated on a case-by-case basis.

Diversified product profile – IIPL distributes over 300 products including cyber security systems, network and application performance monitoring solutions, unified storage solutions, network integration solutions, etc., which are bundled as a package that involves hardware, software and service components. While the hardware products generate around 30% of revenues, software and services constitute the remaining 70%. Moreover, unlike pure play distributors, IIPL also works with SIs/end-customers to provide consulting services for setting up the required networking, storage and security infrastructure, providing a competitive edge. The value of the consulting service is built into the pricing, resulting in higher realisations and margins.

Credit challenges

Relatively lower margins; high debtor and creditor days – IIPL's business remains working capital intensive, inherent to the distribution nature of business. The company's debtor days and creditor days (based on gross revenues) were high as on March 31, 2025 at 127 and 96, respectively and its Total Outside Liabilities to tangible net worth (TOL/TNW) stood at 1.5 times as on March 31, 2025, albeit significant improvement from FY2023 level. Further, the margins in the distribution and trading businesses are inherently low and, therefore, the company's operating margins have remained modest at 4.5-5.5% over the years (5.3% in FY2025). However, IIPL provides value-added consulting services to SIs and end customers, resulting in higher realisations and margins compared to pure play IT hardware distributors. While the company is working on increasing the revenue share from the margin-accretive segments within its offerings, the operating margins are expected to be range bound given the nature of the business.

Moderate scale of operations; competition from other established distributors and other small and medium-sized players – The company's scale of operations is moderate compared to other established players in the IT distribution space, despite its healthy revenue growth over the years. The company experiences competition from other established distributors and small and medium-sized players in the industry, largely restricting pricing flexibility. However, regular client additions, expansion into new geographies such as Sri Lanka, Bangladesh and Singapore, and healthy demand prospects for cyber security, cloud computing and data storage industries are expected to support revenue growth over the medium term.

Liquidity position: Adequate

IIPL's liquidity is adequate, supported by healthy anticipated fund flow from operations and unencumbered cash and bank balances of Rs. 162.6 crore as on March 31, 2025. Also, the company's working capital utilisation was moderate at 50-60% of the sanctioned limits in FY2025, and it had unutilised working capital limits of over Rs. 78 crore as on March 31, 2025. Against these sources of cash, IIPL has negligible debt repayment obligations and minimal capex outgo over the medium term. Overall, ICRA expects the company to meet its medium-term commitments through internal sources of funds and yet be left with adequate cash surplus. The impact of any debt-funded acquisition will be evaluated on a case-by-case basis.

Rating sensitivities

Positive factors – ICRA could upgrade IIPL’s ratings if the company demonstrates a significant improvement in its scale and profitability, while maintaining healthy leverage and coverage metrics and liquidity position.

Negative factors – Pressure on IIPL’s ratings could arise due to a sharp decline in its scale and profitability or any major debt-funded capital expenditure or acquisition, or a deterioration in its working capital cycle and liquidity position. Key metrics include interest coverage of less than 5.5 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company. Refer to the Annexure II for the list of entities considered for consolidation.

About the company

Established in 2008, IIPL is a value-added distributor of IT hardware and software products, offering consulting solutions and associated services in data, network, and application protection and management, along with digital asset protection. While the hardware products generate around 30% of its revenues, software and services constitute the remaining 70%. The company partners with over 70 OEMs and offers more than 300 products to over 800 system integrators, serving more than 8,000 customers. Sundara (Mauritius) Ltd., an affiliate of Creador, a PE firm, invested in the company in FY2020 and till date remains a key shareholder. Apart from the PE investor, the remaining stake is held by promoters in their individual capacities and employees of the company.

Key financial indicators

Consolidated	FY2024 (audited)	FY2025 (provisional)
Operating income	785.3	932.4
Gross operating income	2,110.5	2,439.4
PAT	70.6	85.3
OPBDIT/OI	13.7%	13.9%
OPBDIT/GOI	5.1%	5.3%
PAT/OI	9.0%	9.1%
PAT/GOI	3.3%	3.5%
Total outside liabilities/Tangible net worth (times)	1.7	1.5
Total debt/OPBDIT (times)	0.7	0.5
Interest coverage (times)	7.6	8.8

Amount in Rs. crore; Source: Company, ICRA Research; Financial ratios in this document are ICRA adjusted figures and may not be directly comparable with numbers reported by the company in some instances; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Current ratings (FY2026)				Chronology of rating history for the past 3 years					
				FY2025			FY2024	FY2023	
Instrument	Type	Amount Rated (Rs Crore)	August 20, 2025	Date	Rating	Date	Rating	Date	Rating
Fund Based-Cash Credit	Long Term	118.00	[ICRA]A (Stable)	Jun 25, 2024	[ICRA]A (Stable)	Jun 29, 2023	[ICRA]A- (Stable)	-	-
				Jul 05, 2024	[ICRA]A (Stable)	-	-	-	-
Interchangeable-Others	Short Term	(62.50)	[ICRA]A2+	Jun 25, 2024	[ICRA]A2+	Jun 29, 2023	[ICRA]A2+	-	-
				Jul 05, 2024	[ICRA]A2+	-	-	-	-
Unallocated-Unallocated	Long Term/Short Term	0.00		Jun 25, 2024	[ICRA]A (Stable)/[ICRA]A2+	Jun 29, 2023	[ICRA]A- (Stable)/[ICRA]A2+	-	-
				Jul 05, 2024	[ICRA]A (Stable)/[ICRA]A2+	-	-	-	-
Fund Based-Others	Short Term	0.00		Jul 05, 2024	[ICRA]A2+	-	-	-	-
Non Fund Based-Others	Short Term	0.00		Jun 25, 2024	[ICRA]A2+	Jun 29, 2023	[ICRA]A2+	-	-
				Jul 05, 2024	[ICRA]A2+	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term - Fund Based – Cash Credit	Simple
Short Term – Non-fund based -Interchangeable	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's

credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	118.00	[ICRA]A (Stable)
NA	Non Fund – based Interchangeable	NA	NA	NA	(62.50)	[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Ivalue Infosolutions Pvt Ltd	NA	Full Consolidation
Asia Ivalue Pte. Ltd.	100.00%	Full Consolidation
ASPL Info Services Private Limited	70.00%	Full Consolidation

Source: Company

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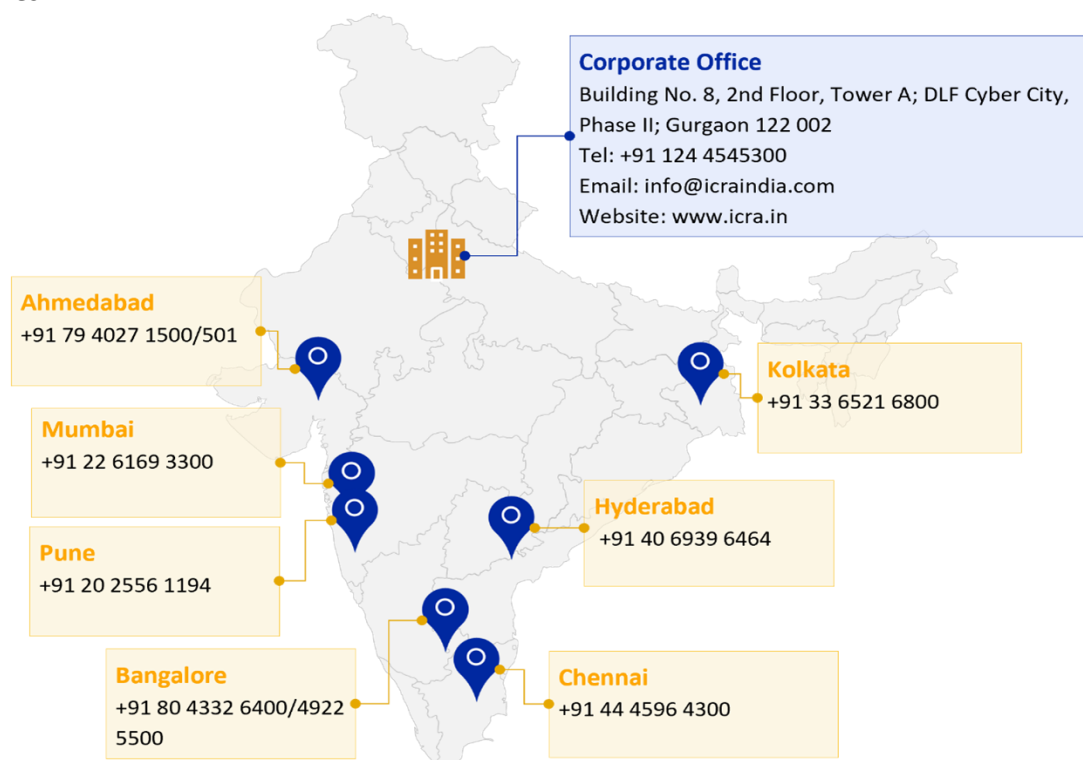
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