

May 21, 2025

Vishwa Infrastructures and Services Private Limited: [ICRA]BB (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Issuer rating	0.00	[ICRA]BB(Stable); assigned
Total	0.00	

*Instrument details are provided in Annexure I

Rationale

The assigned rating for Vishwa Infrastructures and Services Pvt Ltd (VISPL) factors in its past experience in execution of water as well as sewerage contracts and stable client base comprising mainly state government agencies across India mitigating the counterparty credit risk to an extent. The rating considers the healthy revenue growth to above Rs. 190 crore in FY2025 from Rs. 35 crore in FY2022, owing to improved order addition and execution, which is expected to sustain in the near term.

The rating is, however, constrained by its modest order book position of around Rs. 358 crore as on March 31, 2025, which translates to order book/revenue (OB/OI) of 1.84 times and provides only near-term revenue visibility. Further, the rating is constrained by the modest liquidity position as evident from the limited cushion in working capital limits and low free cash balances. Given this, the company's ability to secure enhancement in a timely manner at favourable terms remains important for fresh order addition and revenue growth. The order book is also exposed to execution risk as ~40% of the order book as on March 31, 2025 is in the initial stages of execution (with less than 25% work completion) with majority of the works (around 64%) concentrated on water and sewerage segments.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company is likely to sustain its revenues, supported by execution of its order book and timely receipt of payments from its key customers.

Key rating drivers and their description

Credit strengths

Established track record in execution of water and sewerage contracts – VISPL has more than two decades of experience in executing water and sewerage projects across India. Also, VISPL has executed works for various government authorities in Tamil Nadu, Telangana, Andhra Pradesh, Himachal Pradesh, and Uttar Pradesh.

Healthy growth in revenues and reputed client profile – The revenues increased to Rs. 190 crore in FY2025 from Rs. 35 crore in FY2022, primarily driven by improved order addition and execution over the years, which is expected to continue in the near term. At present, the company is executing orders for Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB), Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB), Tamil Nadu Water Supply and Drainage Board (TWAD), Jal Shakti Vibhag – Himachal Pradesh, Jal Nigam (Urban) – Uttar Pradesh and Lavu Educational Society (Vignan University) among others, reducing the counterparty credit risk to an extent.

Credit challenges

Modest order book provides near-term visibility – The order book is modest at Rs. 358.06 crore as on March 31, 2025 with projects from underground sewerage networks, water treatment plants, sewage treatment plants, water distribution works,

and the construction of commercial and educational buildings for private parties. The OB/OI ratio is 1.84 times and thereby provides near-term revenue visibility.

High working capital intensity – VISPL’s working capital intensity is high at around ~28% in FY2024 and is estimated to be at 23% in FY2025 mainly on account of higher inventory days and sub-contractor advances. The average working capital limit utilisation remained high at 93% during the last 4 months ending March 2025. Given this, reduction in working capital cycle, along with securing enhancement in working capital limits, remains crucial for an improvement in its liquidity position.

Orderbook exposed to high sectoral, execution and concentration risks – The water and sewerage segment accounts for 63% of the order book resulting in high sectoral concentration risk. Further, 73% of the order book is from southern states (AP, TG, and TN) resulting in high geographical concentration risk. The order book is also exposed to execution risk as ~40% of the order book as on March 31, 2025 remained in the initial stages of execution (with less than 25% work completion). Given this, timely ramp-up in execution of the orders will be critical in sustaining the revenues going forward.

Liquidity position: Stretched

The company’s liquidity position is stretched owing to limited cushion in fund-based limits and high working capital intensity. The average utilisation of working capital limits remained high at 93% during the last 4 months ending March 2025. However, lower debt repayments of Rs. 0.31 crore and minimal capex plans in FY2026 are expected to support its liquidity position in the near term.

Rating sensitivities

Positive factors – The rating could be upgraded if the entity demonstrates improvement in its order book, scale of operations, earnings and liquidity position on a sustained basis.

Negative factors – Pressure on the rating could arise if there is a material decline in earnings or any significant debt-funded capex, or increase in working capital cycle, or sizeable investments in subsidiaries weakening the debt coverage indicators or liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has done limited consolidation of Vishwa Cycops Private Limited factoring in the equity infusion/unsecured loans towards meeting any cash flow mismatches.

About the company

Vishwa Infrastructures and Services Pvt Ltd (VISPL) was established in 1992 as a partnership firm under the name Vishwa Construction Company and was converted to a private limited company in December 2004. It was acquired by Indvis Holdings Private Limited on July 7, 2021 through the Insolvency and Bankruptcy Code (IBC) route. The holding company, Indvis Holdings Pvt Ltd, is promoted by Mr. Aryan Gupta, AG Holdings (a partnership firm promoted by Aryan Gupta), and Indus Projects Private Limited. The company is primarily involved in the execution of water supply and sewerage infrastructure projects, micro-tunnelling works, and the construction of commercial as well as educational buildings.

Key financial indicators (audited)

VISPL	FY2023	FY2024	9M-FY2025*
Operating income	61.0	81.0	80.7
PAT	6.7	31.0	4.6
OPBDIT/OI	9.3%	17.2%	4.6%
PAT/OI	11.0%	38.3%	5.7%
Total outside liabilities/Tangible net worth (times)	1.9	0.7	0.9
Total debt/OPBDIT (times)	3.9	1.1	4.6
Interest coverage (times)	1.5	8.1	35.8

Source: Company, ICRA Research; *provisional numbers

All ratios as per ICRA's calculations; Amount in Rs. crore 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

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	May 21, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long Term	0.00	[ICRA]BB (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	NA

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	Issuer rating	NA	NA	NA	0.00	[ICRA]BB (Stable)

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	VISPL's ownership	Consolidation approach
Vishwa Cycops Private Limited	71.11%	Limited Consolidation

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