July 25, 2025

# Vista Consoles Electronics Private Limited: [ICRA]BBB+ (Stable); assigned

## Summary of rating action

| Instrument* | Current Rated Amount (Rs. crore) | Rating Action |
|---|---|---|
| **Issuer rating** | - | [ICRA]BBB+(Stable); assigned |
| **Total** | - | |

**Instrument details are provided in Annexure-I*

## Rationale

The ratings assigned for Vista Consoles Electronics Private Limited (Vista) reflect the promoter and senior management's expertise in the defence sector and strategic partnerships with leading global defence firms. Vista has collaborated with Belgium-based ScioTeq for access to golden parts and proprietary console technology. It has also tied up with France's Exail to manufacture inertial navigation systems (INS) in the domestic plant. These alliances have enabled Vista to develop mission critical components such as consoles and INS, which serve as core interfaces for real-time surveillance, mission control, and secure data processing. Vista's capabilities have helped forge strong relationships with key clients including Bharat Electronics Limited (BEL) and the Defence Research and Development Organisation (DRDO). Despite a limited operating history, the company has been able to record robust revenue increase at a CAGR of ~96% during FY2021-FY2025. Besides, Vista maintained strong operating profit margins (OPM) of 50-60% during the said period. With an order book of approximately Rs. 464 crore as of June 1, 2025, and a favourable demand outlook in India's defence sector, Vista is expected to sustain its revenue growth and OPM above 30% in the medium term. Its financial risk profile remains strong, supported by zero bank debt, substantial unencumbered liquid investments, and healthy cash generation.

However, the rating is constrained by its working capital-intensive operations. Despite some improvement, the company continues to face high working capital requirements due to a prolonged receivable cycle and extended inventory holding—driven by the need to maintain sufficient raw material stock for uninterrupted production and timely deliveries, especially in the latter half of the fiscal. However, ICRA notes that most of the working capital requirement has been funded through its internal cash flows from business and there has been no reliance on bank debt. Additionally, Vista's moderate scale and high client concentration, particularly its reliance on BEL, pose further risks. However, this is partly mitigated by BEL's status as a Government entity and key customer of the product manufactured by Vista, which is expected to place repeat orders.

ICRA has also noted Vista's funding support of approximately Rs. 102 crore extended to a promoter-owned entity in FY2025 and FY2026 out of the cash generated from business over the years. While no further investment has been planned, any additional support and its impact on Vista's credit profile will be monitored.

The Stable outlook on the long-term rating reflects ICRA's expectation that Vista will report a healthy growth in revenue and earnings, while maintaining a comfortable capital structure, supporting its credit profile.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters** – Vista is jointly promoted by Mr. Parminder Kumar and Mr. Dhanraj Nathwani, each holding equal equity. Mr. Parminder Kumar has over 30 years of experience from the Indian Navy, having retired in 2011. Mr. Dhanraj Nathwani has extensive industry experience of more than 10 years and holds senior positions in Reliance Industries Limited and its Group companies. The promoters are assisted by a qualified senior management team and a large R&D team to manage and grow the business.

**Strategic alliances with key global companies supported business growth** – Due to the unavailability of critical components and technologies in India, Vista entered into licensed manufacturing agreements with leading global defence firms. It partnered with Belgium-based ScioTeq for access to golden parts and proprietary console technology and later collaborated with France's Exail to manufacture INS systems in domestic plants. These strategic alliances enabled Vista to localise high-end defence production, tap into global expertise, and drive strong revenue growth over the past 4-5 years.

**Strong financial risk profile** – Vista has consistently generated healthy operating cash flows over the past 4-5 years, eliminating the need for bank debt to fund working capital or capital expenditure. The company maintains strong liquidity through fixed deposits and current account balances, ensuring coverage for margin money and additional working capital needs. With a robust net worth and no plans to raise debt, Vista's financial risk profile is expected to remain strong in the medium term.

## Credit challenges

**Moderate scale of operations** – Vista's scale of operations remains moderate relative to the size of the industry and the company's ability to maintain its profit margins with expected revenue growth remains to be demonstrated. With continued focus of the Government on 'Make in India' in the defence sector and favourable demand outlook, ICRA expects Vista to sustain its revenue growth over the near-to-medium term.

**Exposed to client concentration risk** – Vista has historically derived a significant portion of its revenue from BEL, which accounted for 97-99% of revenues in the last few years, exposing the company to high customer concentration risk. However, BEL's status as a reputed Government entity and key customer of the product manufactured by Vista helps mitigate the counterparty risk. Future revenue growth depends on incremental orders from Government agencies, which tend to be irregular due to the tender-based nature of the business. Vista is also in discussions with private players about new orders, which are expected to materialise in the coming months. The Government of India's increasing focus on domestic sourcing in the defence sector is expected to support order inflows.

**High working capital intensity due to long receivable cycle** – Vista's operations are working capital intensive due to high inventory levels and a long receivables cycle, driven by the need to stock critical raw materials for uninterrupted deliveries. However, working capital intensity improved in recent years, supported by faster payment realisations and timely order execution, particularly for periscopes. The company manages its working capital through extended supplier credit and mobilisation advances, which are expected to remain adequate, going forward.

## Liquidity position: Strong

Vista's liquidity is strong, backed by Rs. 139 crore of unencumbered liquid investments (current account balances and fixed deposits) and Rs. 32.5 crore of undrawn bank lines as of June 2025. With annual cash flow generation of Rs. 130-140 crore and no major capex plans, surplus funds are expected to comfortably support any additional working capital needs.

## Rating sensitivities

**Positive factors** – The rating may be upgraded if the entity demonstrates improved product and customer diversification, while sustaining a healthy scale of operations, robust profitability, and a strong liquidity position.

**Negative factors** – Pressure on Vista's rating could emerge if lower-than-expected billing, deterioration in operating profitability, or an elongated working capital cycle adversely impacts the company's liquidity position. Additionally, a materially large debt-funded capital expenditure and/or significant cash outflow to Group companies that weaken the liquidity profile may trigger a rating downgrade.

## Analytical approach

| Analytical Approach | Comments |
|---|---|
| **Applicable rating methodologies** | Corporate Credit Rating Methodology |
| **Parent/Group support** | Not Applicable |
| **Consolidation/Standalone** | Standalone |

## About the company

Vista, established in 2019 and based in Noida, Uttar Pradesh, manufactures defence equipment. The company is promoted by Mr. Parminder Kumar and Mr. Dhanraj Parimal Nathwani, each holding a 50% stake. Vista manufactures consoles, which are critical systems used in warships, submarines, and other naval platforms. In the defence sector, these consoles serve as central interfaces for operations such as real-time surveillance, mission control, and data processing. The company later expanded into producing INS, a GPS-like technology tailored for defence applications. Vista has entered into licensed manufacturing agreements with ScioTeq and Exail for consoles and INS, respectively.

### Key financial indicators (audited)

| | FY2024 | FY2025* |
|---|---|---|
| **Operating income** | 247.7 | 303.9 |
| **PAT** | 133.1 | 140.8 |
| **OPBDIT/OI** | 62.7% | 52.4% |
| **PAT/OI** | 53.7% | 46.3% |
| **Total outside liabilities/Tangible net worth (times)** | 0.4 | 0.3 |
| **Total debt/OPBDIT (times)** | - | - |
| **Interest coverage (times)** | 290.5 | 159.4 |

*Source: Company, ICRA Research; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation, *Provisional financial statement submitted by the management; All ratios as per ICRA's calculations*

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

## Rating history for past three years

| | Current rating (FY2026) | | | Chronology of rating history for the past 3 years | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY2026 | | | FY2025 | | FY2024 | | FY2023 | |
| Instrument | Type | Amount rated (Rs. crore) | July 25, 2025 | Date | Rating | Date | Rating | Date | Rating |
| **Issuer rating** | Long term | - | [ICRA]BBB+(Stable) | - | - | - | - | - | - |

## Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|---|
| **Issuer rating** | Not applicable |

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 | - | - | - | - | [ICRA]BBB+(Stable) |

*Source: Company*

## Annexure II: List of entities considered for consolidated analysis- Not applicable

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## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

## ICRA Limited

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