July 29, 2026

Vijaya Wb Smart Meters Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action	Financial sector regulator#
Long-term – Fund-based – Term loan	151.00	151.00	[ICRA]A- (Stable); reaffirmed	RBI
Short-term – Interchangeable – Letter of credit	(151.00)	(151.00)	[ICRA]A2+; reaffirmed	RBI
Long-term – Fund-based – Bridge loan	101.87	110.00	[ICRA]A- (Stable); reaffirmed and assigned for enhanced amount	RBI
Long-term/Short-term – Non-fund based – Bank guarantee	47.13	47.13	[ICRA]A- (Stable)/ [ICRA]A2+; reaffirmed	RBI
Long-term/Short-term – Unallocated limits	0.00	1.87	[ICRA]A- (Stable)/ [ICRA]A2+; assigned	RBI
Total	**300.00**	**310.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The rating reaffirmation for Vijaya WB Smart Meter Private Limited (VWBSMPL) factors in the availability of long-term contract with West Bengal State Electricity Distribution Company Limited (WBSEDCL) for installing and operating advanced metering infrastructure (AMI) and the strong parentage of GVPR Engineers Limited (GVPR, rated [ICRA]AA- (Stable)/[ICRA]A1+). The company is responsible for installing 7.78 lakh smart meters, along with associated infrastructure in five districts of West Bengal. ICRA derives comfort from the corporate guarantee provided by the engineering, procurement and construction (EPC) contractor and sponsor, GVPR, throughout the tenor of the facility. GVPR is adequately placed to meet the equity requirement and is expected to provide the necessary funding support to meet any shortfalls during the contract period. The ratings note the availability of a fixed-price contract with Kimbal Private Limited (KPL, formerly known as Sinhal Udyog Private Limited) for supply of smart meters and associated infrastructure, thereby mitigating the cost variation risk for the project to a large extent. KPL has experience in the manufacturing of smart meters and has provided meters for other projects in the past in a timely manner. Further, as per the contract, the company has to achieve various project milestones in a timely manner and is exposed to the risk of liquidated damages (LDs). This apart, VWBSMPL's ability to demonstrate compliance with the service level thresholds (SLA), related to meter availability, data collection and delivery of recharge, among others, remains a key monitorable, given that there are provisions for penalty in case of under performance against these SLAs. Therefore, timely project execution or achieving satisfactory operating parameters will remain a key rating sensitivity. Nevertheless, the company has a back-to-back arrangement with its vendors mitigating the risk to an extent.

The ratings are, however, constrained by the project execution risk, given that around 80% of the meters are yet to be installed as of April 2026. ICRA notes that the project execution has been delayed due to reasons attributable to the authority, which has acknowledged the same and revised the implementation schedule to November 2027 from May 2026. Further, the same has been acknowledged by the lender, and has revised the scheduled commercial operations date (SCOD). VWBSMPL's ability to commission the project, in a timely manner, and within the budgeted cost, would be important from the credit perspective.

The ratings consider the presence of a direct debit facility (DDF), wherein online payments made by the consumers assigned to VWBSMPL will be deposited into the DDF account and shall be first used to clear the payments to VWBSMPL. This, in turn, reduces the counterparty risk associated with the credit profile of WBSEDCL. While the company has been receiving the payments through the DDF for the operational meters, the timeliness of payments will have to be monitored over a longer period owing to the limited track record of the facility. Further, the company has been receiving the lumpsum payment with a delay of 2-3 months post achieving the operation go-live of the meters installed subjected to the funding availability of the authority. Going forward, the timeliness of receipt of lumpsum payments remains crucial, as these payments will be utilised for subsequent meter installation cost and reducing the bridge loan requirements.

The Stable outlook on the ratings derives comfort from ICRA's opinion that the company will be able to leverage upon the strong parentage in terms of funding requirements and complete the project in a timely manner, so as to benefit from the long-term advanced metering infrastructure service provider (AMISP) contract with WBSEDCL and presence of DDF payment mechanism to ensure the timely payments.

Key rating drivers and their description

Credit strengths

Long-term AMISP contract provides revenue visibility – The company has signed a long-term contract with WBSEDCL for installation of smart meters and associated infrastructure under the revamped distribution sector scheme (RDSS). The special purpose vehicle (SPV) would be responsible for installation of 7.78 lakh smart meters, along with associated infrastructure through pre-paid mode in selected circles in West Bengal by November 2027 (as per the revised implementation schedule) and operating period of 93 months for each meter. The company will receive a one-time lumpsum amount based on the number of smart meters operationalised and service charge per meter per month over the operating period, providing long-term revenue visibility.

Strong parentage – The company is sponsored by GVPR Engineers Limited, which has a comfortable financial profile. It is expected to infuse the requisite equity in a timely manner and is likely to provide the necessary funding support to meet any shortfalls during the contract period. Further, GVPR has provided corporate guarantee for the term loan for the entire debt tenor, as stipulated by the lender, which supports the rating.

Credit challenges

Project execution risk and stringent SLA requirements – The company is exposed to execution risk, given that around 80% of the meters are yet to be installed as of April 2026. While the sponsor, GVPR, has a limited track record in the smart meter installation segment, it has prior experience in the installation of the regular electrical meters. ICRA notes that the project execution has been delayed due to reasons attributable to the authority, which has acknowledged the same and revised the implementation schedule to November 2027 from May 2026. Further, the same has been acknowledged by the lender, and has revised the SCOD. VWBSMPL's ability to commission the project, in a timely manner and within the budgeted cost, would be important from the credit perspective.

Limited track record of DDF payment mechanism – The DDF shall ensure timely payments to the project SPV, wherein online payments made by the consumers assigned to VWBSMPL will be deposited into the DDF and shall be first used to clear the payments to VWBSMPL. This, in turn, reduces the risk associated with the credit profile of WBSEDCL. The utility has to ensure that the DDF, so created, has an average monthly inflow of at least 5 times of the estimated monthly payment to AMISP. While the company has been receiving the payments through the DDF for the operational meters, the timeliness of payments will have to be monitored over a longer period owing to the limited track record of the facility. Going forward, a sustained track record of timely recovery of grant payments and monthly service charges, in line with DDF arrangement, will be a key credit monitorable.

Liquidity position: Adequate

The company's liquidity position is expected to be adequate, given the balance project cost of around Rs. 260.62 crore is to be funded through around Rs. 20 crore of equity, Rs. 64 crore of balance tied-up term loan and the rest through internal accruals (VWBSMPL plans to utilise part of the cash inflows from one-time lumpsum payments and monthly service charges towards installation costs). In addition, it was sanctioned a Rs. 110 crore of bridge loan in the event of delay in the receipt of upfront payments from the discom, which will be repayable in bullet repayments within three months of achieving the installation milestone.

Rating sensitivities

Positive factors – The ratings could be upgraded upon achieving the operational go-live as per the scheduled timelines, along with maintaining satisfactory operating parameters as well as timely receipt of lumpsum payments and monthly charges.

Negative factors – Pressure on the ratings could arise if significant delays in installation/commissioning or cost overrun and/or substantial delay in receipt of lumpsum amount resulting in higher equity burden on the sponsor, or if there is deterioration in debt coverage metrics or liquidity position. The ratings could be downgraded if there is a weakening in linkages or change in support philosophy with the sponsor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Approach - Project Finance
Parent/Group support	Parent/Group Company: GVPR Engineers Limited (rated [ICRA]AA- (Stable)/[ICRA]A1+) ICRA expects the sponsor, GVPR Engineers Limited to be willing to extend financial support to VWBSMPL, should there be a need, given its strategic importance to the sponsor and explicit presence of unconditional and irrevocable corporate guarantee extended by GVPR towards the bank facilities availed by VWBSMPL.
Consolidation/Standalone	Standalone

About the company

Vijaya WB Smart Meters Private Limited is an SPV incorporated by GVPR Engineers Limited on October 30, 2023 with the scope of installation of smart electric meters and related infrastructure on Design-Build-Finance-Own-Operate-Transfer basis. The SPV was awarded the contract from West Bengal State Electricity Distribution Company Ltd, an enterprise of West Bengal Government with an estimated contract value of Rs. 857.05 crore to implement the project in five Districts. The letter of award was issued on January 10, 2024 and Advanced meter Infrastructure Service Provider (AMISP) contract was signed between the GVPR and WBSEDCL on February 20, 2024.

Key financial indicators

Key financial indicators are not applicable as VWBSMPL is a project stage company.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Jul 29, 2026	FY2027		FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	151.00	[ICRA]A- (Stable)	Jun 29, 2026	[ICRA]A- (Stable)	-	-	Mar 05, 2025	[ICRA]A- (Stable)	-	-
Interchangeable – Letter of credit	Short term	(151.00)	[ICRA]A2+	Jun 29, 2026	[ICRA]A2+	-	-	Mar 05, 2025	[ICRA]A2+	-	-
Bridge loan	Long term	110.00	[ICRA]A- (Stable)	Jun 29, 2026	[ICRA]A- (Stable)	-	-	Mar 05, 2025	[ICRA]A- (Stable)	-	-
Bank guarantee	Long term/ Short term	47.13	[ICRA]A- (Stable)/ [ICRA]A2+	Jun 29, 2026	[ICRA]A- (Stable)/ [ICRA]A2+	-	-	Mar 05, 2025	[ICRA]A- (Stable)/ [ICRA]A2+	-	-
Unallocated limits	Long term/ Short term	1.87	[ICRA]A- (Stable)/ [ICRA]A2+	-	-	-	-	-	-	-	-
Proposed term loan	Long term	-	-	-	-	-	-	Jun 10, 2024	[ICRA]A- (Stable)	-	-
Interchangeable –Proposed letter of credit	Short term	-	-	-	-	-	-	Jun 10, 2024	[ICRA]A2+	-	-
Proposed bridge loan	Long term	-	-	-	-	-	-	Jun 10, 2024	[ICRA]A- (Stable)	-	-
Proposed bank guarantee	Long term/ Short term	-	-	-	-	-	-	Jun 10, 2024	[ICRA]A- (Stable)/ [ICRA]A2+	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Short-term – Interchangeable – Letter of credit	Simple
Long-term – Fund-based – Bridge loan	Simple
Long-term/Short-term – Non-fund-based – Bank guarantee	Simple
Long-term/Short-term – Unallocated limits	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	Financial sector regulator[#]
NA	Term loan	Aug 02, 2024	NA	Dec 31, 2033*	151.00	[ICRA]A- (Stable)	RBI
NA	Interchangeable – Letter of credit	NA	NA	NA	(151.00)	[ICRA]A2+	RBI
NA	Bridge loan	Aug 02, 2024	NA	-**	110.00	[ICRA]A- (Stable)	RBI
NA	Bank guarantee	NA	NA	NA	47.13	[ICRA]A- (Stable)/ [ICRA]A2+	RBI
NA	Unallocated limits	NA	NA	NA	1.87	[ICRA]A- (Stable)/ [ICRA]A2+	RBI

*Source: Company; *as per revised repayment schedule; **repayable in bullet repayment within three months of achieving installation milestone i.e., completion of installation of all smart meters*

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Please click here to view details of lender-wise facilities rated by ICRA

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.

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