# Vishal Nirmiti Limited

# (Erstwhile known as Vishal Nirmiti Private Limited)

## November 12, 2026

### Rating Action

| | | |
|---|---|---|
| **Total Bank Loan Facilities Rated** | **Rs. 115.00 Crore (Reduced from Rs. 120.80 crore)** | **Regulator^** |
| **Long Term Rating** | **IVR BBB+/Stable (Rating Upgraded)** | **RBI** |
| **Short Term Rating** | **IVR A2 (Rating Upgraded)** | **RBI** |
| ^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available. | | |

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

**Note:** *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

### Rationale

Infomerics Ratings has upgraded its long-term and short-term rating assigned to the bank facilities of Vishal Nirmiti Limited (VNL). The rating upgrade factors in the improvement in the scale of operations and profitability in FY2026 and its sizeable order book position providing revenue visibility. The rating continues to derive strength from comfortable financial risk profile supported by IPO infusion of Rs. 145.00 crore in October 2026 and long track record of operations. The rating, however, remains constrained by the working capital-intensive nature of operations, high customer concentration risk and exposure to volatility in raw material prices over and above the cost covered under price variation clause in case of Railway Contracts.

### Outlook: Stable

The outlook is stable in view that the company will continue to benefit from established relationships with clients, along with a comfortable financial risk profile.

### Analytical Approach

| Approach | Comments |
|---|---|
| Consolidation/ Standalone | Standalone |
| Parent/ Group Support | Not Applicable |

List of companies considered for consolidation/combined analysis is given at Annexure 4.

## Key Rating Drivers with Detailed Description

### Strengths

**Long track record of operations**

Vishal Nirmiti Limited (VNL), incorporated in 1994, has an established track record of operations in the railway and infrastructure sectors. The company has gradually expanded its operations from manufacturing concrete sleepers to a diversified portfolio comprising pre-cast concrete products, MS pipes and other infrastructure-related products and services. The promoter-led management has been instrumental in the company's growth and diversification, supported by its understanding of the industry and established business relationships. Further, over the years, the company has strengthened its management team across key functions, including sales, marketing, procurement, manufacturing, strategy and finance. The promoter's experience and the company's established operating track record support its business operations and future growth plans.

**Sustained improvement in revenue and profitability**

VNL's revenue has improved by 6.33% to Rs. 338.68 crore in FY26 from Rs. 318.52 crore in FY25 due to timely execution of orders and increase in receipt of orders for Prestress Concrete Sleepers and MS Pipes during FY26. VNL has recorded TOI of Rs. 86.96 crore in Q1FY27 as against the TOI of Rs. 64.22 crore in Q1FY26, marking the growth of 35.41% and is expected to achieve revenue of Rs. 372.55 crore through execution of unexecuted orderbook amounting Rs. 551.66 crore. The company's EBITDA margins have improved to 15.10% in FY26 from 14.59% in FY25 due to increase in execution of orders for fabrication of MS Pipes division during FY26 wherein the margins are relatively higher.

**Comfortable financial risk profile**

VNL has a comfortable financial risk profile, supported by a tangible net worth of Rs. 85.35 crore as on March 31, 2026, and a moderate capital structure, as reflected in overall gearing and TOL/ANW of 1.02x and 2.91x, respectively. The debt protection metrics also remained comfortable in FY26, with an interest coverage ratio (ICR) of 3.40x, debt service coverage ratio (DSCR) of 2.15x and total debt/EBITDA of 1.71x. Further, the company successfully completed its IPO in October 2026, comprising a fresh issue of Rs. 145.00 crore and an offer for sale (OFS) of Rs. 33.00 crore. The entire proceeds from the fresh issue amounting to Rs. 145.00 crore were infused into the company, which is expected to significantly strengthen its net worth, improve the capital structure and provide additional financial flexibility to support its growth plans.

**Established Customer Base and healthy orderbook providing revenue visibility**

As on September 30, 2026, VNL had an unexecuted order book of Rs. 551.66 crore. The company also catered to reputed clients including Larsen & Toubro Limited, Kalpataru Projects International Limited and Raj Infrastructure Development India Private Limited. The sizeable order book, supported by established relationships with reputed customers, provides adequate near-term revenue visibility and is expected to support the sustenance of the company's scale of operations.

## Weaknesses

**Working capital intensive nature of operations**

The company remains exposed to high working capital requirements, as reflected in its elongated operating cycle of 100 days in FY26, compared with 104 days in FY25. The average inventory holding period increased to 140 days in FY26 from 127 days in FY25, while the average collection period increased to 60 days from 48 days, resulting in higher funds being tied up in working capital, however it is partially offset by advances received from Railways. Further, the railway infrastructure sector is characterised by high upfront investment requirements and long project execution timelines, particularly for new railway lines, electrification and station modernisation. Despite significant government support, private participation often remains limited due to lower near-term profitability.

**High customer concentration risk**

VNL derives a significant portion of its revenue from Indian Railways, through various railway divisions across India, resulting in high customer concentration. Consequently, the company's revenue growth, profitability and financial risk profile remain closely linked to the procurement and capital expenditure plans of Indian Railways. Any slowdown in order inflows, delays in tendering or execution, changes in procurement policies or revisions in commercial terms could adversely affect the company's scale of operations and profitability. Further, the concentration of revenue in a single customer group limits the company's ability to offset any moderation in demand from Indian Railways through other customers, thereby exposing its credit risk profile to changes in railway sector spending.

**Exposure to volatility in raw material prices**

VNL's operations are exposed to fluctuations in the prices of key raw materials, including cement, steel, aggregates and admixtures used in the manufacturing of concrete sleepers, as well as steel

used in the production of MS pipes. Steel prices are influenced by global demand-supply dynamics, geopolitical developments and changes in trade policies, while fluctuations in energy and transportation costs can further impact overall input costs. Any significant increase in raw material prices, particularly in the absence of a corresponding increase in selling prices or timely pass-through to customers, could exert pressure on the company's operating margins and profitability. However, in case of concrete sleepers supplied to Railways increase in cost of raw materials is majorly covered by price variation clause.

## Liquidity –Adequate

The company's liquidity profile is expected to remain adequate, supported by positive internal accruals and the availability of sanctioned working capital limits. The company generated cash flow from operations (CFO) of Rs. 27.15 crore in FY26. The expected gross cash accruals (GCA) of Rs. 40.21 crore to Rs. 54.88 crore over FY27–FY29 are sufficient to meet the annual repayment obligations of Rs. 4.15 crore to Rs. 5.59 crore during the same period. The current ratio stood at 1.09x in FY26. Further, the company's working capital limits were utilized at an average level of ~78.66% over the 12 months ending Sept-2026, reflecting moderate cushion in bank lines.

## Rating Sensitivities

**Upward Factors**

- Improvement in working capital efficiency while maintaining sustained positive cashflow from operations and adequate liquidity.
- Substantial or sustained improvement in revenue and profitability, supported by continued strength in MS Pipe business and timely execution of orderbook.

**Downward Factors**

- Significant decline in revenue and profitability, deterioration in operating margins, or any unplanned debt-funded capex leading to weakening of the capital structure, with overall gearing moving above 2x.
- Material deterioration in working capital management, resulting in a sustained elongation of the operating cycle and weakening of cash generation.

## About the Company:

Vishal Nirmiti Limited (VNL), established in 1994, is engaged in civil engineering, manufacturing and construction activities, with a focus on pre-stressed concrete (PSC) railway sleepers, precast

concrete products and the fabrication of mild steel (MS) pipes, MS liners and penstock pipes for pumped-storage and other infrastructure projects. The company also undertakes engineering, procurement and construction activities and provides infrastructure development services across railway, irrigation, renewable energy and industrial sectors. VNL was listed on the National Stock Exchange (NSE) and BSE Limited on October 08, 2026.

**Key Financial Indicators (Standalone):**

| For the year ended/ As on* | 31-03-2025 | 31-03-2026 |
|---|---|---|
| | Audited | Audited |
| Total Operating Income | 318.52 | 338.68 |
| EBITDA | 46.48 | 51.13 |
| PAT | 23.64 | 24.97 |
| Total Debt | 88.05 | 87.42 |
| Book Tangible Net Worth (TNW) | 61.32 | 86.78 |
| EBITDA Margin (%) | 14.59 | 15.10 |
| PAT Margin (%) | 7.28 | 7.26 |
| Overall Gearing (times) | 1.51 | 1.02 |
| Interest Coverage (times) | 3.27 | 3.40 |

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

## Applicable Criteria

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria for assigning Rating outlook

Policy on Default Recognition and Post Default Curing Period

Complexity Level of Rated Instruments/Facilities

Policy on Withdrawal of Ratings

**Status of non-cooperation with previous CRA:** Crisil Ratings in their press release dated November 24, 2025, has classified the rating under issuer not cooperating status on account of non-submission of relevant information.

Brickworks Ratings in their press release dated February 26, 2026, has classified the rating under issuer not cooperating status on account of non-submission of relevant information

**Any other information:** Not Applicable

## Rating History for last three years

| Sr. No. | Instruments /Facilities | Current Ratings (Year 2026-27) | | | Rating History for the past 3 years | | |
|---|---|---|---|---|---|---|---|
| | | Type (Long Term/Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2025-26 | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in in 2023-24 |
| | | | | | October 07, 2025 | August 05, 2024 | June 07, 2023 |
| 1. | Fund based facilities | LT | 51.13 | IVR BBB+/Stable | IVR BBB/Stable | IVR BBB-/Stable | IVR BBB-/Positive |
| 2. | Non-fund based facilities | ST | 63.87 | IVR A2 | IVR A3+ | IVR A3 | IVR A3 |

## Annexure 1: Instrument/Facility Details

| Name of Facility | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook | Listing Status | Regulator^ | Complexity Indicator |
|---|---|---|---|---|---|---|---|---|---|
| Term Loan | - | - | - | Jan 2030 | 1.60 | IVR BBB+/Stable | NA | RBI | Simple |
| Term Loan | - | - | - | Jan 2031 | 0.73 | IVR BBB+/Stable | NA | RBI | Simple |
| GECL 5 | - | - | - | May 2031 | 0.58 | IVR BBB+/Stable | NA | RBI | Simple |
| ECLGS 5.0 | - | - | - | Jun 2031 | 3.99 | IVR BBB+/Stable | NA | RBI | Simple |
| Term Loan | - | - | - | Jan 2027 | 0.18 | IVR BBB+/Stable | NA | RBI | Simple |
| ECLGS 2.0 | - | - | - | Dec 2026 | 0.03 | IVR BBB+/Stable | NA | RBI | Simple |
| ECLGS 2.0 Extension | - | - | - | Nov 2026 | 0.02 | IVR BBB+/Stable | NA | RBI | Simple |
| ECLGS | - | - | - | - | 0.00* | Withdrawn | NA | RBI | Simple |
| ECLGS Extension | - | - | - | - | 0.00* | Withdrawn | NA | RBI | Simple |
| Term Loan | - | - | - | - | 0.00* | Withdrawn | NA | RBI | Simple |
| ECLGS | - | - | - | - | 0.00* | Withdrawn | NA | RBI | Simple |
| Cash Credit | - | - | - | Revolving | 20.00 | IVR BBB+/Stable | NA | RBI | Simple |
| Cash Credit | - | - | - | Revolving | 20.00 | IVR BBB+/Stable | NA | RBI | Simple |
| Cash Credit | - | - | - | Revolving | 1.00 | IVR BBB+/Stable | NA | RBI | Simple |
| Cash Credit | - | - | - | Revolving | 3.00 | IVR BBB+/Stable | NA | RBI | Simple |
| Cash Credit | - | - | - | - | 0.00* | Withdrawn | NA | RBI | Simple |
| Cash Credit | - | - | - | - | 0.00* | Withdrawn | NA | RBI | Simple |

| Name of Facility | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook | Listing Status | Regulator^ | Complexity Indicator |
|---|---|---|---|---|---|---|---|---|---|
| Bank Guarantee | - | - | - | - | 17.15 | IVR A2 | NA | RBI | Simple |
| Letter of Credit | - | - | - | - | 4.92 | IVR A2 | NA | RBI | Simple |
| Bank Guarantee | - | - | - | - | 11.00 | IVR A2 | NA | RBI | Simple |
| Letter of Credit | - | - | - | - | 1.20 | IVR A2 | NA | RBI | Simple |
| Bank Guarantee | - | - | - | - | 6.00 | IVR A2 | NA | RBI | Simple |
| Letter of Credit | - | - | - | - | 8.00 | IVR A2 | NA | RBI | Simple |
| Bank Guarantee | - | - | - | - | 15.60 | IVR A2 | NA | RBI | Simple |
| Bank Guarantee | - | - | - | - | 0.00* | IVR A2 | NA | RBI | Simple |
| Bank Guarantee | - | - | - | - | 0.00* | IVR A2 | NA | RBI | Simple |

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**ECLGS and ECLGS Extension facility from Bank of Maharashtra, Term Loan facility from IndusInd Bank, and ECLGS facility from Canara Bank has been closed and No Dues Certificate for the same has been received and it is as per Infomerics policy on Withdrawal of ratings*

**Cash Credit facility of Rs. 18.00 crore from Bank of Maharashtra and Rs. 2.90 crore from IndusInd Bank has been closed and we have received No Due Certificate for the same and it is as per Infomerics policy on Withdrawal of ratings.*

**Bank Guarantee facility of Rs. 0.48 crore from Bank of Maharashtra and Rs. 3.60 crore from IndusInd Bank has been closed and we have received No Due Certificate for the same and it is as per Infomerics policy on Withdrawal of ratings.*

**Annexure 2: Facility wise lender details:**
**https://infomericstorage.blob.core.windows.net/uploads/Len_Vishal_Nirmiti12_Nov26_e5885343b9.pdf**

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for Consolidated/Combined analysis:** Not Applicable

## Annexure 5: List of activities/instruments and names of regulators

| Sr. No. | Instrument / activity Name | Regulator of the instrument |
|---|---|---|
| 1 | Listed/Proposed to be listed Bonds/Debentures/Preference Shares | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $ | RBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) * | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) * | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^ | RBI |
| 9 | External Commercial Borrowings and other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11a | Fixed Deposits raised by NBFCs, HFCs, FIs | RBI |
| 11b | Fixed Deposits raised by Banks | + |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Borrowing programme ~ | - |
| 15 | Issuer Ratings # | - |
| 16 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 17 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18 | Listed Security Receipts $ | RBI |
| 19 | Unlisted Security Receipts | RBI |
| 20 | Independent Credit Evaluation (ICE) | RBI |
| 21 | Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs) | + |
| 22 | Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities)) | SEBI |
| 23 | Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities)) | MCA |
| 24 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) * | Investor-side Regulator such as IRDAI, PFRDA @ |

***Footnotes:***

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

*~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.*

*^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

*# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.*

*@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.*

*$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.*

*+ To be finalized following a discussion with the regulatory authorities.*

***Note:** For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*


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## About Infomerics

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