RATING RATIONALE **23 July 2026**

Vaishno Associates Vidyut Projects LLP

Brickwork Ratings withdraws the existing long-term and short-term rating for the Bank Loan Facilities of Rs. 30crores and assigns the long-term rating of BWR BBB/Positive and short-term rating of BWR A3 for the bank loan facilities of Rs.24crores and Rs.226crores, respectively, for Vaishno Associates Vidyut Projects LLP.

Particulars

Facilities**	Amount (Rs. Crs)		Tenure	Rating#	
	Previous	Present		Previous (13 Jan 2026)	Present
Fund Based					
Overdraft - Sanctioned	4.00	**0.00**	Long Term	BWR BB- /Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**
Overdraft-Sanctioned	0.00	**19.00**		-	**BWR BBB/Positive (Assignment)**
Cash Credit - Sanctioned	0.00	**5.00**			
Sub Total	*4.00*	***24.00***			
Non-Fund Based					
Bank Guarantee - Sanctioned	26.00	**0.00**	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**
Bank Guarantee - Sanctioned	0.00	**226.00**		-	**BWR A3 (Assignment)**
Sub Total	*30.00*	***226.00***			
Grand Total	30.00	**250.00**	**(Rupees Two Hundred Fifty Crores Only)**		

#Please refer to the BWR website **www.brickworkratings.com** for the definition of the ratings.
**Details of Bank Loan facilities, consolidation or instruments are provided in Annexure
***Issuer did not cooperate**; based on best available information.

RATING ACTION / OUTLOOK

Brickwork Ratings has withdrawn the existing ratings for the Bank Loan Facilities of Rs.30crores as the same has been repaid as on date. The withdrawal is in line with the BWR withdrawal policy.

Brickwork Ratings has assigned the long-term ratings of BWR BBB/Positive and short-term rating of BWR A3 for the bank loan facilities of Rs.24crores and Rs.226crores, respectively, for Vaishno Associates Vidyut Projects LLP.

The rating draws strength from the experienced management in the heavy electrical equipment and transmission line industry, healthy financial risk profile, diversified customer base, and robust order book. However, the ratings are constrained by large working capital requirements, intense competition, Susceptibility to tender-based operations, and operational delays due to external risks & constitution as a limited liability partnership.

The rating outlook has been assigned as "Positive" as BWR believes that the business and financial risk profile of Vaishno Associates Vidyut Projects LLP will continue to have sustained improvement, as evidenced by the unexecuted order book of the company of Rs.661crores as on 30 June 2026 and the additional orders in pipeline, providing revenue visibility over the medium term.

KEY RATING DRIVERS

Credit Strengths-:

- **Experienced Management:** The firm was established in 2015, and the partners of the company, namely, Mr. Raj Kumar Babutta (B.E. Hons/BITS PILANI) and Mr.Raj Neeral Babutta (MBA) have about 17 years of industrial experience in the heavy electrical equipment and transmission line industry. The entity undertakes tender-based turnkey projects and executes various electrical contact works of substations and transmission lines, which has helped them to understand local market dynamics and establish relationships with State Government Power Distribution companies. Further, their strong understanding of the market dynamics and healthy relationships with suppliers and customers should continue to support the business.
- **Healthy financial risk profile:** The company has reported a growth of 28.8% in its Total Operating Income (TOI) to Rs.270.10crores in FY25 as against Rs.209.80crores in FY24. However, due to supply bottlenecks and material constraints on account of geopolitical conditions, the revenue has declined by 10.4% to Rs.242.10crores in FY26 (provisional). The company has shown recovery in Q1FY27 and generated revenue of Rs. 42.24 crores as against Rs. 34.51 crores in Q1FY26 (same period previous year). EBITDA and Net Profit margin of the entity have shown improvement and stood at 16.22% and 6.59% respectively in FY26 (Prov) as against 14.44% and 6.01% respectively in FY25. The Tangible Net worth has improved from Rs.65.27crores in FY25 (A) to Rs.80.47crores in FY26 (prov). The entity has moderate debt protection metrics as reflected by ISCR at 2.49 times respectively in FY25 and FY26 (prov).
- **Diversified Customer base and healthy order book:** The firm has been handling the supply and erection work orders of various turnkey projects for various State power distribution companies like West Bengal State Electricity Distribution Company (contributed 14% revenue in FY26), North Bihar Power Distribution Co. Ltd (contributed 7% revenue in FY26), Jammu Power Distribution Corporation Ltd (contributed 14% revenue in FY26), NTPC (contributed 8% in FY26) in multiple states such as Bihar, Jaipur, Rajasthan, West Bengal, Jammu and Kashmir. Additionally, the company has an unexecuted healthy order book of Rs.661crore as of 30 June 2026, reflecting an order book-to-sales ratio of 2.73x based on FY26 revenue, to be executed in the

current and next fiscal year. Further, the order book of VAVPL includes high-value contracts for the development of distribution infrastructure work for Segregation of 11 kV mixed-load feeders worth Rs.235crores (originally Rs.213.25crores) from AVVL, Ajmer, and Rs.200crores from JVVNL, Jaipur, awarded in October 2025, and is scheduled to be completed within 2 years in FY 27-28, providing adequate medium-term revenue visibility.

Credit Weakness-:

- **Competition in the Industry:** The electrical and civil construction industries are highly fragmented with the presence of many organized and unorganized players. Exposure to intense competition requires entities to bid aggressively to get contracts, and thus restricts the operating margin. Amidst the cyclicality inherent in the construction industry, the ability to maintain profitability via operating efficiency becomes critical.

- **Large working capital requirement:** Operations are working capital intensive owing to the nature of the business. Receivables tend to be large as a significant amount of billing occurs in the last quarter of the fiscal year. As of March 31, 2026, the receivable days are estimated at 173 days and are expected to remain in a similar line over the medium term. Further, the company is heavily reliant on external debt and payables to support the working capital cycle on a sustained basis. Thus, improvement in the working capital cycle with better collections from its major customers remains monitorable.

- **Susceptibility to tender-based operations and operational delays due to external risks:** As an EPC contractor, VAVPL's revenue and profitability entirely depend on the company's ability to secure government tenders and receive timely approvals at various stages of billing. The reliance on government or state-float tenders exposes the firm to intense competition, pricing pressures, and moderate volatility in operating margins. Amid intense competition, entities bid aggressively to secure contracts, which constrains operating margins to some extent. Thus, operating margin is estimated at 14-15% over the medium term. Further, considering the nature of the business and the complex structure of project approvals and the billing cycle, operational delays could occur at the local level or weather conditions may hamper the pace of execution. Furthermore, in the heavy electrical & transmission industry, the probability of unexpected events causing cost overruns is remarkably high—with up to 9 out of 10 major projects experiencing budget blowouts of the original contract value.

- **Constitution as a limited liability partnership:** The credit risk profile is constrained by VAVPL's constitution as an LLP, as there is an inherent risk of withdrawal of the capital, which limits its financial flexibility. Any disproportionate withdrawal of capital shall remain a key rating monitorable.

ANALYTICAL APPROACH - Standalone

For arriving at the rating, BWR has considered the standalone approach and has essentially relied on the audited financials up to FY25, management-certified financials for FY26, projected financials up to FY28, publicly available information, as well as information/clarifications provided by the company's management and bankers. Further, USL, to the extent of Rs.23.34crores will remain subordinated to bank debts and has been considered as quasi-equity. Additionally, BWR has applied its rating methodology as detailed in the Rating Criteria, as detailed below (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Going forward, the company's ability to manage working capital efficiently, improve the scale of operations, and improve and maintain profitability, along with the debt servicing capability and liquidity, will be key rating sensitivities.

Positive factors

- A rating upgrade could be driven by achieving sustained growth in revenues as per the projections, along with consistent improvement in profitability margins, maintaining capital structure at the present levels.

Negative factors

- Sustained decline in revenue and profitability below Rs.230crs and net margin dropping below 5.50%.
- Any unplanned debt fund leading to deterioration in capital structure, working capital cycle, and liquidity position from present levels.

LIQUIDITY INDICATORS - Adequate

The liquidity position of the firm is assessed as adequate on account of a healthy current ratio, comfortable operating cycle and adequate cash accruals as on 31 March 2026 (prov).
The company has a healthy current ratio of 2.11x as on 31 March 2026 (prov) (PY 1.85x). Further, the company is expected to generate sufficient cash accruals in the range of Rs.18-20crs as against CPLTD of ~Rs.4.50crs for the current and next fiscal years. Average utilization of fund-based limit of Rs.24crs remained high at around 80%, as of 30 June 2026. However, the average utilization of non-fund-based limits of Rs.226crs remained moderate at 66.65% for the trailing 12 months ended as of 31 March 2026. The operating cycle of the firm stood comfortable at 98 days in FY26, although elongated from 92 days in FY25, however stood comfortable. The entity has free cash & bank balance (including free FDs) aggregating to Rs.8.42 crore as on March 31st, 2026, which provides adequate liquidity over the medium term. Further, the unsecured loans from promoters of Rs. 23.34 crore are subordinated to bank debts and will continue to remain in business, providing sufficient liquidity in the medium term.

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrial	Construction	Construction	Civil Construction

Jaipur, Rajasthan-based Vaishno Associates Vidyut Project LLP (VAVPL) was initially formed in 2005 as a proprietorship firm. Later in 2015, the firm was constituted as an LLP with Mr. Raj Kumar Babutta and his wife, Mrs. Neeral Raj Babutta, as partners. The entity is mainly into EPC business and deals in turnkey projects released by State Electricity Boards (SEB's). The entity undertakes projects for erecting, planning, and commissioning of electrical lines, power transmission/distribution, alternating current-direct charge conversion, substation projects, grid stations, and shifting of utility lines for state electricity boards in various states, and also for private EPC companies.

ESG PROFILE

BWR believes that the ESG profile of Vaishno Associates Vidyut Projects LLP supports its credit risk profile.

Environmental: The company strictly adheres to green building principles and environmental regulations across its project sites, ensuring minimal ecological disruption while building critical electrical grid infrastructure.

Social: As confirmed by the entity, the firm is strictly adhering to labour standards, fair wages, and enforces stringent on-site safety protocols to protect its workforce.

Governance: The entity has transparent bidding processes, ethical anti-corruption policies, business practices, and compliance with statutory tax and regulatory frameworks.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Unit	FY 23-24	FY 24-25	FY 25-26
Result Type		Audited	Audited	Provisional
Operating Income	Rs. Crs	209.78	270.13	242.05
EBITDA	Rs. Crs	28.93	39.00	39.27
PAT	Rs. Crs	13.85	16.23	15.95
Tangible Net Worth	Rs. Crs	50.08	65.27	80.47
Total Debt/Tangible Net Worth (Adjusted)	Times	0.53	0.69	0.74
Current Ratio	Times	1.59	1.85	2.43

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities.

STATUS OF NON-COOPERATION WITH PREVIOUS CRA

CRISIL Rating, vide its press release dated 29 July 2025, has reaffirmed the ratings at “CRISIL B/Stable/CRISIL A4” for the bank loan facilities of Rs.30.00 Crs and continued the ratings under the ‘Issuer Not Cooperating' category as the company continues to be non-cooperative.

ANY OTHER INFORMATION

No Other Information.

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal & suspension)

Facilities	Current Rating (2026)			2026		2025		2024	
Type	**Tenure**	**Amount (Rs.Crs.)**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund Based	LT	4.00	Withdrawal	13 Jan 2026	BWR BB-/Stable (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	20 Jan 2025	BWR BB- Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	NA	NA
		24.00	BWR BBB/Positive (Assignment)	-	-	-	-	-	-
Non-Fund Based	ST	26.00	Withdrawal	13 Jan 2026	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	20 Jan 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	NA	NA
		226.00	BWR A3 (Assignment)						
Grand Total		**250.00**	**(Rupees Two Hundred Fifty Crores Only)**						

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to financial ratios
- Short Term Debt
- BWR Withdrawal Policy
- Engineering Procurement and Construction

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Vaishno Associates Vidyut Projects LLP

ANNEXURE-I
Details of Bank Facilities rated by BWR

S.No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs)	Short Term (Rs.Crs)	Complexity of the Instrument
1	AU Small Finance Bank	Overdraft - Sanctioned	4.00	-	Simple##
		Bank Guarantee-Sanctioned	-	36.00	Simple##
2	ICICI Bank	Overdraft - Sanctioned	10.00	-	Simple##
		Bank Guarantee-Sanctioned	-	15.00	Simple##
3	Yes Bank	Overdraft - Sanctioned	1.00	-	Simple##
		Bank Guarantee-Sanctioned	-	58.00	Simple##
4	Kotak Mahindra Bank	Overdraft - Sanctioned	3.00	-	Simple##
		Bank Guarantee- Sanctioned	-	32.00	Simple##
5	Federal Bank	Overdraft - Sanctioned	1.00	-	Simple##
		Bank Guarantee-Sanctioned	-	40.00	Simple##
6	HDFC Bank	Cash Credit - Sanctioned	5.00	-	Simple##
		Bank Guarantee-Sanctioned	-	45.00	Simple##
		Sub total	**24.00**	**226.00**	
Grand Total- Rs.250crores (Rupees Two Hundred Fifty Crores Only)					

##BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com /download / ComplexityLevels.pdf. Investors' queries can be sent to info@brickworkratings.com.

ANNEXURE-II
INSTRUMENT DETAILS

Instrument	Issue Date	Amount Raised (Rs. Crs)	Coupon Rate	Maturity Date	ISIN Particulars	Complexity
Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total						

ANNEXURE-III
List of entities consolidated

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

List of Instruments and Regulators

Instrument / Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) 1	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) 1	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) 1	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs 2	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme 3	-
Issuer Ratings 4	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) 1	Investor-side Regulator such as IRDAI, PFRDA 5

Monitoring Agency	**SEBI**
Research activities, incidental to rating, such as research for Economy, Industries and Companies 6	**NA**

1. Includes securitisation transactions involving assignee payout, acquirer's payout.
2. Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
3. 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), BWR shall separately capture the rated quantum details along with names of respective regulators.
4. There is no instrument being rated and hence, Regulator of the Instrument is not applicable.
5. These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
6. Permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. 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
any grievances relating to rating of instruments regulated by other FSR (Financial Sector Regulators), please contact grievance@brickworkratings.com.

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About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner and promoter.
Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

For more information on policies and ratings, please visit our **www.brickworkratings.com**