



Press Release

Bvishal Oil & Energy Limited (BVOEL)

May 15, 2025

Ratings

Instrument Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	54.25	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Short term Bank Facilities	58.47	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating Reaffirmed	Simple
Total	112.72	(Rupees One Hundred Twelve crores and seventy-two lakhs only)			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities of BVOEL as it reflects sustained improvement in operating profile over FY24 and FY25 as well comfortable capital structure and debt protection metrics. The rating also reflects healthy order book position supported by experienced management.

The rating is however constrained by working capital intensive nature of operations and exposure of the intense competition and tender based job works and high customer concentration risks.

The Outlook remain Stable reflects stable operating profile and comfortable capital structure over a medium term.

Key Rating Sensitivities:

Upward Factors

- Sustained & substantial improvement in revenue & profitability margins leading while maintaining the current credit profile along with improvement in liquidity position of the company.



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Downward Factors

- Any decline in revenue and profitability and/or any unplanned debt led capex and/or any deterioration in the working capital cycle leading to deterioration in credit profile and liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Stable operating profile:

Bvishal Groups' revenue marginally declined as per FY25 Provisional (period refers to April 01, 2024, to March 31, 2025) with revenue stood at 175.48 crore as compared to Rs. 185.08 crores in FY24 (period refers to April 01, 2023, to March 31, 2024) due to lower-than-expected order execution. However, profitability in terms of EBITDA and PAT margins improved to 36.70% and 16.95% respectively in FY25(P) as against 35.34% and 14.41% respectively during FY24 due to lower operating cost and interest cost.

Comfortable capital structure and debt protection metrics:

The capital structure as indicated by overall gearing remained stable and at 0.62x as on 31st March 2025 (FY24: 0.61x) despite increase in tangible net worth despite increase in working capital borrowings. Tangible net worth has increased to Rs.221.89 crore as on March 31, 2025(P), as against Rs.184.16 crore as on March 31, 2024, due to accretion of profits along with equity infusion on account of dilution of promoter's stake. The group has raised Rs. 40.00 crore during FY24 and Rs. 20.68 crores during FY25. The total indebtedness represented by TOL/ATNW also remain stable and at 0.90x as on 31st March 2025(P) (31st March 2024: 0.81x). The debt coverage indicators as indicated by interest coverage ratio and total debt to gross cash accruals ratio improved and stood at 6.95x and 3.08x respectively in FY25(P) {FY24: 5.56x and 2.83x respectively} due to decrease in interest cost backed by increase in EBITDA. IVR expects the capital structure and debt protection metrics to remain strong during FY26-FY28 with stable profitability and lower interest cost.



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Healthy order book position indicating satisfactory medium to long term revenue visibility:

As on February 2025, Bvishal Group has an executed order book of Rs.1,319.42 crore (75x of FY25 (P) revenue). BVOEL has also been received two work orders from ONGC Limited during September 2024 for a period of 15 years which is expected to have revenue potential revenue of Rs.500-600 crore over the medium term.

Experienced promoters & Qualified management team:

The promoter, Mr. Bharat Chaudhary is having more than two-decade experience in the oil exploration industry. He is supported by, Mr. Vishal Chaudhary and an experienced management, BVOEL has been able to generate healthy relations with its reputed clientele which includes as Oil & Natural Gas Corporation Ltd, Oil India Ltd, Dresser Rand India Pvt Limited and Sakar Infra Nirman Pvt limited.

Key Rating Weaknesses

Working capital intensive nature of operations:

The operations of the company remained working capital intensive as the average collection period and average inventory period increased and stood at 96 days and 156 days each respectively while creditors' payment period have also increased to 38 days in FY25(P) as against 34 days in FY24.

Exposure of the intense competition and tender based job works:

The company faces intense competition on account of customers being the same for all the players in the sector (i. e) the oil and gas companies, where the business depends on the ability to bid for contracts successfully. Risk has become more pronounced as tendering is based on minimum amount of bidding of contracts. However, this risk is mitigated to an extent on account of extensive experience of the management.

High customer concentration risk:

Majority of the orderbook comprises from ONGC Ltd and Oil India Limited resulting high customer concentration risk. Any change in the policy by these players will impact on the overall profile of the company. Despite sufficient revenue visibility for the next few fiscals, incremental growth will depend on the timely execution, and government policies. Going



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forward, the company's ability to bid and attract new customers while ensuring the scalability of the business will be monitored.

Analytical Approach: Consolidated

Infomerics has consolidated operational and financial risk profile of Bvishal Oil & Energy Limited- Holding Company and its subsidiaries Bvishal Exploration Pvt Ltd, BSCC Offshore Pvt Ltd and Bvishal Offshore Pvt Ltd. All the companies are collectively known as Bvishal Group.

Note: We have changed the approach from earlier standalone to consolidated now on account of these companies have become subsidiaries during FY25, earlier these companies are group companies are BVOEL.

Applicable Criteria:

[Rating Methodology for Service sector 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](#)

[Rating criteria on Consolidation of Companies](#)

Liquidity – Stretched

The liquidity position of the company appears to be stretched as cash accruals are expected to match tightly to meet the repayment obligations. Though the average fund- based utilization for 12 months ended February 2025 stood at around 85% while maximum utilisation remains close to 100%, there were instances of overutilisation in couple of months which was due to interest debit and regularised in one or two days. However, Infomerics derives comfort from promoters' ability to infuse the funds as and when required. Further, the company had gross cash accruals of Rs.44.28 crore in FY25(P). Cash and cash equivalent amounted to Rs.13.28 crore as on Feb 28, 2025. The current ratio stood at 1.54x as on 31st March 2025(P).

About the Company



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BVOEL was incorporated on November 17, 2017, to take over the existing operations of Vishal enterprises. The Gujarat – based Vishal enterprises was established in 1999 as a partnership firm by Mr. Bharat Chaudhary. The company provides operations & Maintenance (O&M) services, charter hire service, well intervention services for oil exploration and production activities.

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	185.08	175.48
EBITDA	65.41	64.40
PAT	26.66	30.20
Total Debt	112.15	136.68
Tangible Net Worth	184.16	224.57
EBITDA Margin (%)	35.34	36.70
PAT Margin (%)	14.41	16.95
Overall Gearing Ratio (x)	0.61	0.62
Interest Coverage (x)	5.56	6.95

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
						Mar 28, 2024	Feb 23, 2023
1.	Term Loan	Long Term	37.30	IVR BBB-/ Stable	--	IVR BBB-/ Stable	IVR BBB-/ Stable
2.	Cash Credit	Long Term	16.95	IVR BBB-/ Stable	--	IVR BBB-/ Stable	IVR BBB-/ Stable
3.	Bank Guarantee	Short Term	58.47	IVR A3	--	IVR A3	IVR A3



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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	--	--	--	Up to 2026	37.30	IVR BBB-/ Stable
Cash Credit	--	--	--	--	16.95	IVR BBB-/ Stable
Bank Guarantee	--	--	--	--	--	IVR A3

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-bvishal-may25.pdf>

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

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the company/Entity	Consolidation Approach
Bvishal Oil & Energy Limited	Full
Bvishal Exploration Pvt Ltd	73.99%
BSCC Offshore Pvt Ltd	Full
Bvishal Offshore Pvt Ltd	Full

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.