August 24, 2026

Ivalue Infosolutions Limited: Ratings upgraded to [ICRA]A+ (Stable)/ [ICRA]A1+

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long term – Fund-based – Cash credit	118.00	118.00	[ICRA]A+ (Stable); upgraded from [ICRA]A (Stable)	RBI
Short term – Non-fund based – Interchangeable	(62.50)	(62.50)	[ICRA]A1+; upgraded from [ICRA]A2+	RBI
Total	**118.00**	**118.00**		

**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 ratings upgrade of Ivalue Infosolutions Limited (IIPL/Ivalue) considers the scale-up in operations over recent years, as a value-added distributor of IT hardware and software products, while maintaining a healthy financial risk profile, which it is expected to sustain going forward as well. The company reported a gross operating income (GOI) of Rs. 2,912.0 crore in FY2026, registering a year-on-year (YoY) growth of 18.9%, aided by a stable business profile with healthy demand for its offerings across cybersecurity, data centre infrastructure, cloud and information life cycle management. The healthy business outlook from end-customers, coupled with its strengthened technological capabilities and diversified offerings are likely to support revenue growth going forward as well. While the operating profit margin (OPM) remains modest at 4.7% (as a % of GOI) in FY2026 (FY2025: 5.3%), reflecting the structural characteristics of the business, the company's capital structure and coverage indicators continue to be healthy. This is underpinned by limited capital expenditure (capex) requirements and steady internal accruals over the years, a trend expected to persist going forward. The ratings also factor in the company's comfortable financial risk profile, with limited dependence on external debt and a negative net debt position since March 2020. Debt metrics are expected to remain healthy over the medium term, given its minimal capex plans and limited debt-servicing obligations over the next three years. ICRA also notes that the company has been listed on the stock exchanges from September 2025, with Rs. 560.3 crore raised as part of its initial public offering (IPO), entirely as an offer for sale (OFS).

The ratings, however, continue to be constrained by the working capital-intensive nature of the business, low margins and moderate scale of operations. However, ICRA takes note of the company's efforts to manage its working capital efficiently, as reflected in the reduction in its working capital intensity to 10.8% in FY2026, from 12.6% in FY2025. The scale of operations remains relatively moderate in the IT distribution space compared to other established players, despite healthy revenue growth over the last five years. Also, its operating margins continue to be range-bound at 4.5-5.5%, owing to the nature of the distribution business, although it is better than pure-play hardware distributors. The company is open to acquiring similar entities in the IT distribution space. The impact of these on the credit profile would be evaluated on a case-by-case basis.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will be able to sustain its credit profile, supported by healthy cash accruals and debt metrics, a strong liquidity position and minimal capex plans.

Key rating drivers and their description

Credit strengths

Favourable demand outlook – The customer base expansion across industry segments, including banking, financial services and insurance (BFSI), enterprises and Government business, repeat orders from system integrators (SI) and addition of new vendors/original equipment manufacturers (OEMs) have enabled sustained revenue growth over the years. The company has added 6-7 new OEMs in FY2026 (115 OEMs as of March 2026), boosting its product offering and helping it better capitalise on the demand from SIs. In addition, it has entered into new geographies such as Sri Lanka, Bangladesh and Singapore as a part of its business expansion plans and is ramping up operations in other overseas subsidiaries as well. Demand for servers optimised for Artificial Intelligence (AI) workloads and high-performance computing environments continues to accelerate, supporting robust growth in data centre investment and increasing requirements for cybersecurity, both of which present growth opportunities for the company. IIPL is also strengthening its capabilities in the AI segment, which is emerging as a key growth driver in the current technology landscape.

Healthy coverage metrics – As the business is not capex-intensive, the company has negligible long-term debt and borrowings are restricted only to working capital requirements. Further, its unencumbered cash and liquid investments as on March 31, 2026 stood at Rs. 267.4 crore and have remained over Rs. 80.0 crore consistently since March 2020, following fund infusion by private equity investors. Accordingly, the company has been net debt-negative since March 2020, and its working capital utilisation in FY2026 has been moderate at 50-60% of the sanctioned limits of Rs. 117.5 crore. The coverage metrics are expected to remain healthy over the medium term, given minimal capex plans and negligible debt-servicing obligations. However, the impact of business acquisitions, if any, on its credit profile and coverage metrics would be evaluated on a case-by-case basis.

Diversified product profile – IIPL distributes over 300 products including cybersecurity systems, network and application performance monitoring solutions, unified storage solutions, network integration solutions, etc., which are bundled as a package that involves hardware, software and service components. While the hardware products generate around 30% of GOI, software and services constitute the remaining 70%. Moreover, unlike pure-play distributors, IIPL also works with SIs/end-customers to provide consulting services for setting up the required networking, storage and security infrastructure, providing a competitive edge. The value of the consulting service is built into the pricing, driving higher realisations and margins than a pure-play distributor.

Credit challenges

Relatively low margins; high debtor and creditor days – IIPL's business remains working capital-intensive, inherent to the distribution nature of the business. The company's debtor days and creditor days (based on gross revenues) improved in March 2026 to 122 and 102 as against 127 and 95 days as of March 2025, respectively and its Total Outside Liabilities to Tangible Net Worth (TOL/TNW) stood at 1.5 times as on March 2026, with significant enhancement from the March 2023 level of 2.6 times. Further, the margins in the distribution and trading businesses are inherently low and, therefore, the company's operating margins (on GOI) have remained modest at 4.5-5.5% over the years (4.7% in FY2026). However, IIPL provides value-added consulting services to SIs and end customers, resulting in higher realisations and margins compared to pure-play IT hardware distributors (typically 2.0-3.0%). While the company is working on increasing the revenue share from the margin-accretive segments within its offerings, the operating margins are expected to remain range-bound, given the nature of the business.

Moderate scale of operations; competition from other established distributors and small and medium-sized players –

The company's scale of operations is moderate compared to other established players in the IT distribution space, despite the healthy revenue growth over the years. It experiences competition from other established distributors as well as small- and medium-sized players in the industry, largely restricting pricing flexibility. However, regular client additions, expansion into new geographies such as Sri Lanka, Bangladesh and Singapore and healthy demand prospects for cybersecurity, cloud computing and data storage industries are expected to support revenue growth over the medium term.

Environmental and social risks

Environmental considerations – Given its value-added distribution nature of business, IIPL's direct exposure to environmental risks as well as those emanating from regulations or policy changes is not material.

Social considerations – Social risks for value-added distribution companies such as IIPL are low.

Liquidity position: Strong

IIPL's liquidity is Strong, supported by anticipated cash flows from operations of Rs. 30.0-50.0 crore annually, and unencumbered cash and liquid investments of Rs. 267.4 crore as on March 31, 2026. Also, the company had unutilised working capital limits of over Rs. 70.0 crore as on March 31, 2026. Against these sources of cash, IIPL has negligible debt repayment obligations and minimal capex outgo of Rs. 8.0-10.0 crore annually over the medium term. Overall, ICRA expects the company to meet its medium-term commitments through internal sources of funds and still be left with adequate cash surplus. The impact of any inorganic acquisitions will be evaluated on a case-by-case basis.

Rating sensitivities

Positive factors – ICRA could upgrade IIPL's ratings if the company demonstrates a meaningful and sustained improvement in its scale of operations and working capital cycle, while maintaining a steady margin profile, healthy leverage and coverage metrics and liquidity position.

Negative factors – Pressure on IIPL's ratings could arise due to a material decline in its scale and profitability or any major debt-funded capital expenditure or acquisition or large shareholder payout that results in weakening of its credit profile or a sustained elongation in its working capital cycle resulting in weakening of its liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company. Refer to the Annexure II for the list of entities considered for consolidation.

About the company

Established in 2008, IIPL is a value-added distributor of IT hardware and software products, offering consulting solutions and associated services in data, network, application protection and management, along with digital asset protection. While the hardware products generate around 30% of its revenues, software and services constitute the remaining 70%. The company partners with over 115 OEMs and offers more than 300 products to over 800 system integrators, serving more than 8,000 customers. The equity shares were successfully listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) on September 25, 2025. The company's IPO aggregating Rs. 560.3 crore was entirely structured as an OFS, with no fresh issue of shares.

Key financial indicators (audited)

IIPL (consolidated)	FY2025	FY2026
Operating income (OI)	932.0	1,053.6

IIPL (consolidated)	FY2025	FY2026
Gross operating income (GOI)	2,448.7	2,912.0
PAT	85.3	98.4
OPBDIT/OI	13.8%	13.0%
OPBDIT/GOI	5.3%	4.7%
PAT/OI	9.2%	9.3%
PAT/GOI	3.5%	3.4%
Total outside liabilities/Tangible net worth (times)	1.5	1.5
Total debt/OPBDIT (times)	0.5	0.5
Interest coverage (times)	8.8	10.9

Amount in Rs. crore; Source: Company, ICRA Research; Financial ratios in this document are ICRA adjusted figures and may not be directly comparable with numbers reported by the company in some instances; PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current (FY2027)		Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Aug 24, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund-based – Cash credit	Long term	118.00	[ICRA]A+ (Stable)	Aug 20, 2025	[ICRA]A (Stable)	Jun 25, 2024 Jul 05, 2024	[ICRA]A (Stable) [ICRA]A (Stable)	Jun 29, 2023	[ICRA]A- (Stable)
Interchangeable – Others	Short term	(62.50)	[ICRA]A1+	Aug 20, 2025	[ICRA]A2+	Jun 25, 2024 Jul 05, 2024	[ICRA]A2+ [ICRA]A2+	Jun 29, 2023	[ICRA]A2+
Unallocated – Unallocated	Long term/ Short term	-	-	-	-	Jun 25, 2024	[ICRA]A (Stable)/ [ICRA]A2+	Jun 29, 2023	[ICRA]A- (Stable)/ [ICRA]A2+
Fund-based – Others	Short term	-	-	-	-	Jul 05, 2024	[ICRA]A2+	-	-
Non-fund based-Others	Short term	-	-	-	-	Jun 25, 2024 Jul 05, 2024	[ICRA]A2+ [ICRA]A2+	Jun 29, 2023	[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based – Cash credit	Simple
Short term – Non-fund based – Interchangeable	Simple

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	Cash credit	NA	NA	NA	118.00	[ICRA]A+ (Stable)	RBI
NA	Non-fund based – Interchangeable	NA	NA	NA	(62.50)	[ICRA]A1+	RBI

Source: Company

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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

Company name	Ownership	Consolidation approach
Ivalue Infosolutions Ltd	NA	Full consolidation
Asia Ivalue Pte. Ltd.	100.00%	Full consolidation
Quantanxt Technologies Private Limited (erstwhile ASPL Info Services Private Limited)	85.25%	Full consolidation
Ivalue Infosolutions Sea Co. Ltd	100.00%	Full consolidation
iValue S L (Private) Limited	100.00%	Full consolidation
ASPL Info Services (FZE)	85.00%	Full consolidation

Source: Company

ANALYST CONTACTS

Jitin Makkar
+91 124-4545368
jitinm@icraindia.com

Srikumar Krishnamurthy
+91 44 4596 4318
ksrikumar@icraindia.com

Sruthi Thomas
+91 80 4332 6430
sruthi.thomas2@icraindia.com

Swaminathan S
+91 44 4596 4316
swaminathan.s@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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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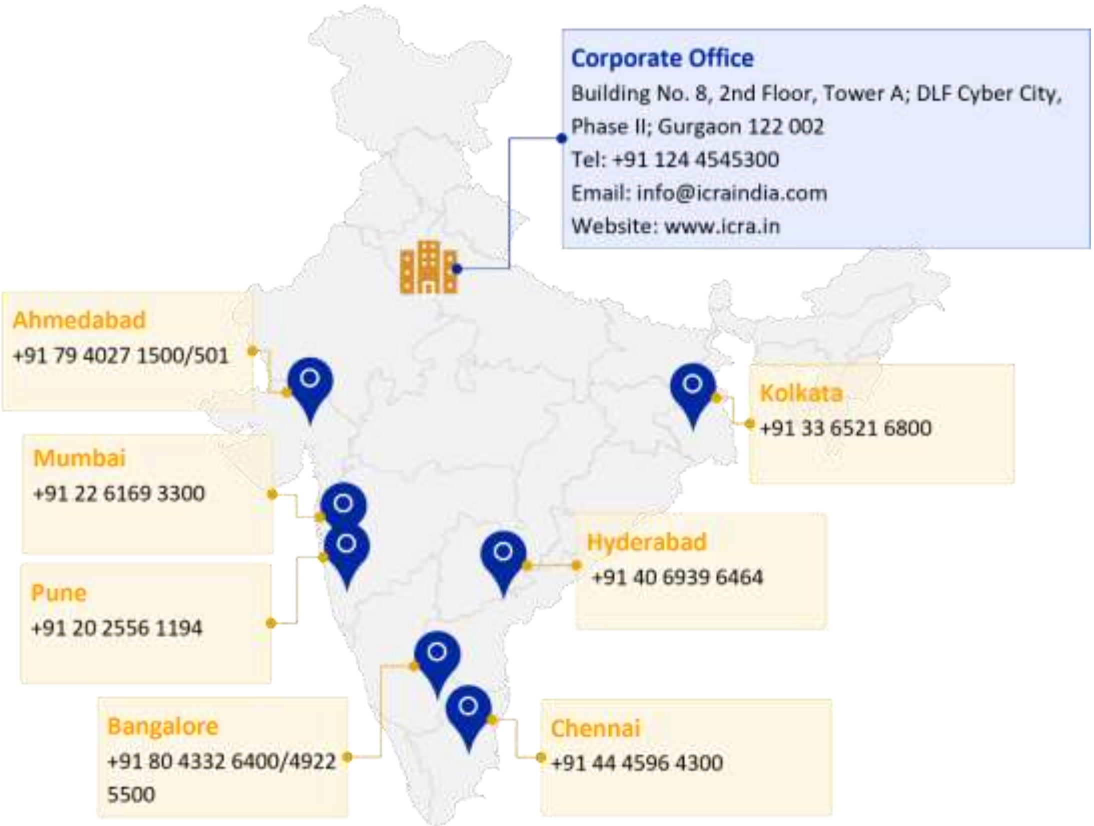
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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