

Press Release

V.R. Constructions

October 13, 2017

Rating Update



Total Bank Facilities Rated*	Rs. 14.75 Cr. #
Long Term Rating	SMERA BB- Issuer not co-operating*
Short Term Rating	SMERA A4+ Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; based on best available information.

SMERA has reviewed long-term rating of '**SMERA BB-**' (read as **SMERA BB minus**) and short-term rating of '**SMERA A4+**' (read as '**SMERA A four plus**') on the Rs. 14.75 crore bank facilities of V R Constructions. This is an indicative rating.

Non-cooperation by the issuer/borrower

SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance and review of the rating. However, the issuer/borrower failed to submit required documents before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Infrastructure entities - <https://www.smera.in/criteria-infra.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). SMERA endeavoured to gather information about the entity/industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information on which the indicative credit rating is based.

About the rated entity

VRC, a civil construction firm established in 1999 by Mr. G. Raja Shekhara Rao, Mr. M Ravi Kumar and Mr. G. Lakshmi Rajyam, undertakes construction of road, canals and drainage activity for the government.

For FY2014-15, VRC reported Profit after Tax (PAT) of Rs.0.20 crore on operating income of Rs.29.78 crore, as compared with profit after tax (PAT) of Rs.0.14 crore on operating income of Rs.29.38 crore in the previous year. The company's net worth stood at Rs.7.25 crore as on March 31, 2015 as compared with Rs.7.08 crore a year earlier.

Rating history (last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
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25-Apr-2016	Overdraft	Long Term	INR 4.75	SMERA BB- / Stable
	Bank Guarantee/Letter of Guarantee	Short Term	INR 10	SMERA A4+

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.75	SMERA BB- Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00	SMERA A4+ Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

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ABOUT SMERA

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