

Press Release

Vishvaraj Infrastructure Limited

December 09, 2019



Rating Update

Total Bank Facilities Rated#	Rs.214.60 Cr.
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BBB-(CE)) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3 (CE)) Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB-**' (**read as ACUITE double B minus**) from '**ACUITE BBB- (CE)**' (**read as ACUITE triple B minus (Credit Enhancement)**) and the short-term rating to '**ACUITE A4+**' (**read as ACUITE A four plus**) from '**ACUITE A3 (CE)**' (**read as ACUITE A three (Credit Enhancement)**) on the Rs.214.60 crore bank facilities of Vishvaraj Infrastructure Limited (VIL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

VIL, a flagship company of the Vishwaraj Group, was incorporated in 1992 as Vishvaraj Housing Company Private Limited (VHCPL). During 1999, VHCPL was acquired by Mr. Arun Lakhani and Mrs. Vandana Lakhani and reconstituted as a closely held public limited company in 2000. VIL is headquartered at Nagpur with its registered office in Mumbai, Maharashtra. VIL invests in Public Private Partnership (PPP) infrastructure projects and is also engaged in Execution, Procuring and Construction (EPC) work for the same projects. VIL primarily executes infrastructure development projects in three segments i.e. water, waste water management and road and highways procured by the Vishvaraj Group of companies. VIL has 15 subsidiaries out of which seven are operational.

Non-cooperation by the issuer/borrower: Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
30-Sep-19	Cash Credit	Long Term	33.00	ACUITE BBB- (CE) (Indicative)
	Term Loan	Long Term	98.00	ACUITE BBB- (CE) (Indicative)
	Working Capital Demand Loan	Long Term	8.60	ACUITE BBB- (CE) (Indicative)
	Bank Guarantee	Short Term	75.00	ACUITE A3 (CE) (Indicative)
12-Jul-18	Cash Credit	Long Term	33.00	ACUITE BBB- (SO) (Indicative)
	Term Loan	Long Term	98.00	ACUITE BBB- (SO) (Indicative)
	Working Capital Demand Loan	Long Term	8.60	ACUITE BBB- (SO) (Indicative)
	Bank Guarantee	Short Term	75.00	ACUITE A3 (SO) (Indicative)
21-Apr-17	Cash Credit	Long Term	33.00	ACUITE BBB- (SO) /Stable (Assigned)
	Term Loan	Long Term	98.00	ACUITE BBB- (SO) /Stable (Assigned)
	Working Capital Demand Loan	Long Term	8.60	ACUITE BBB- (SO) /Stable (Assigned)
	Bank Guarantee	Short Term	75.00	ACUITE A3 (SO) (Assigned)

Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	33.00	ACUITE BB- (Downgraded from ACUITE BBB-(CE)) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	98.00	ACUITE BB- (Downgraded from ACUITE BBB-(CE)) Issuer not co-operating*
Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	8.60	ACUITE BB- (Downgraded from ACUITE BBB-(CE)) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	75.00	ACUITE A4+ (Downgraded from ACUITE A3 (CE)) Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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