

Press Release

Vishal Infrastructure Limited

April 07, 2023



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	57.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	203.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	260.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A2**' (read as **Acuite A two**) on the Rs. 260.00 crore bank facilities of Vishal Infrastructure Limited (VIL). This rating is now an indicative rating and is based on the best information available and is on account of information risk.

About the Company

Vishal Infrastructure Ltd. (VIL) is a Bangalore based company incorporated in 1990. The company is managed by Mr. Milind Kumar Deshpande (Chairman & Managing Director), who possesses more than three decades of experience in the civil construction industry. The company undertakes various construction projects across India including airport buildings, airport runway, buildings, roads, bridges and flyovers. The company executes for diverse range of industries such as airport sector, defence sector, PSU and other central government undertakings. The clientele of the company includes Airport Authority of India (AAI), Development Research and Development Organization (DRDO), among others.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 06 consecutive months. Acuite has also 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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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 endeavored 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.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook

Not Applicable

Other factorS affecting rating

Not applicable

Key Financials:

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

Status of non-cooperation with previous CRA

India Ratings, vide its press release dated 28th July 2022 had denoted the rating to as 'IND-RA BB /IND-RA A4+' (Issuer Not Cooperating)' on account of lack of adequate information required for monitoring of ratings.

Any other information

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

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisa"on of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow pa&erns, number of counterpart'es and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Ra'ng Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Mar 2022	Bank Guarantee	Short Term	25.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Negative (Reaffirmed)
	Bank Guarantee	Short Term	57.00	ACUITE A2 (Reaffirmed)
	Proposed Bank Guarantee	Short Term	28.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Negative (Reaffirmed)
	Bank Guarantee	Short Term	40.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	17.00	ACUITE BBB+ Negative (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE BBB+ Negative (Reaffirmed)
	Proposed Cash Credit	Long Term	5.00	ACUITE BBB+ Negative (Reaffirmed)
	Bank Guarantee	Short Term	30.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	23.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BBB+ Negative (Reaffirmed)
23 Dec 2020	Bank Guarantee	Short Term	30.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	60.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	17.00	ACUITE BBB+ Stable (Reaffirmed)
	Bank Guarantee	Short Term	18.00	ACUITE A2 (Assigned)
	Proposed Bank Facility	Short Term	55.00	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	40.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	15.00	ACUITE BBB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	25.00	ACUITE A4+ Downgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	57.00	ACUITE A4+ Downgraded Issuer not co-operating*
IDFC First Bank Limited	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	40.00	ACUITE A4+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	ACUITE A4+ Downgraded Issuer not co-operating*
DCB Bank Limited	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	23.00	ACUITE A4+ Downgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	17.00	ACUITE BB+ Downgraded Issuer not co-operating*
IDFC First Bank Limited	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	13.00	ACUITE BB+ Downgraded Issuer not co-operating*
DCB Bank Limited	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE BB+ Downgraded Issuer not co-

								operating*
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB+ Downgraded Issuer not co- operating*
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	28.00	ACUITE A4+ Downgraded Issuer not co- operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE BB+ Downgraded Issuer not co- operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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