

Press Release

M Venkata Rao Infra Projects Private Limited

July 22, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 392.50 Cr. #
Long Term Rating	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB+/Stable)
Short Term Rating	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A2)

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 plus) from '**ACUITE BBB+/Stable (read as ACUITE triple B plus)**' and short-term rating '**ACUITE A4+** (read as ACUITE A four plus)' from '**ACUITE A2 (read as ACUITE A two)**' on the Rs. 392.50 crore bank facilities of M Venkata Rao Infra Projects Private Limited (MVR). This rating is now an indicative rating and is downgraded on account of information risk.

Incorporated in 2004, M. Venkata Rao Infra Projects Private Limited (MVR) is engaged in the business of civil construction works across the States of Andhra Pradesh, Telangana, Karnataka and Goa. The company is promoted by Mr. M. Venkata Rao (MVR) based out of Visakhapatnam, Andhra Pradesh. The promoter started the business in the year 1964 as a proprietorship concern as 'M. Venkata Rao'; and reconstituted as a private limited company in the year 2004 along with his family members as shareholders and Directors, by the takeover of the business of 'M. Venkata Rao'. The company undertakes infrastructure projects for National Highway Authority of India (NHAI), Goa State Infrastructure Development Corporation Limited (GSIDC), Amaravati Development Corporation Limited (ADCL), Greater Hyderabad Municipal Corporation (GHMC), Bruhat Bangalore Mahanagara Palike (BBMP), The Ministry of Road Transport & Highways (MORTH) and other PWD works of Telangana, Andhra Pradesh, GOA and Karnataka states among others.

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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-51.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
09-May-2019	Cash Credit	Long Term	25.00	ACUITE BBB+ / Stable (Assigned)
	Cash Credit	Long Term	7.50	ACUITE BBB+ / Stable (Assigned)
	Cash Credit	Long Term	45.00	ACUITE BBB+ / Stable (Assigned)
	Bank Guarantee	Short Term	205.00	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	80.00	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	30.00	ACUITE A2 (Assigned)

#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	25.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB+/Stable)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB+/Stable)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB+/Stable)
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	205.00	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A2)
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	80.00	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A2)
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A2)

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

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,000 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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